

Mason-Dixon Resorts, L.P.
February 26, 2010
Page 2.

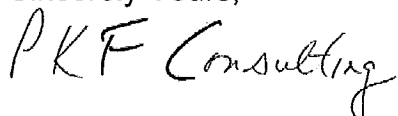
The conclusions set forth in this report are based on an analysis of the existing and potential future supply and demand for the identified competitive gaming markets, as of the date of completion of our fieldwork and analysis, February 19, 2010. This report has been prepared for your internal management use in determining the viability of the proposed project, as well as for presentation to other parties involved in the development and operation of the project as well as to the Pennsylvania Gaming Control Board.

As in all studies of this type, the estimated results are based on competent and efficient management and presume no significant change in the gaming regulations. The terms of this engagement are such that we have no obligation to revise this report to reflect events or conditions that occur subsequent to the date of completion of our fieldwork. However, we are available to discuss the necessity for revision in view of changes in the economy or market factors affecting the relevant gaming market.

Since the proposed facility's future performance is based on estimates and assumptions which are subject to uncertainty and variation, we do not represent them as results that will actually be achieved, but our projections have been conscientiously prepared on the basis of information obtained during the course of this assignment and our experience in the gaming industry. The qualifications of Peter R. Tyson, Vice President, who performed all of the work on this assignment, are included as an Addendum to this report.

If we can be of any further assistance in the interpretation of our findings, please feel free to contact us.

Sincerely Yours,

A handwritten signature in black ink that reads "PKF Consulting". The letters are cursive and fluid, with the "P" and "K" being particularly large and stylized.

PKF Consulting

TABLE OF CONTENTS

	<u>Page</u>
<i>Introduction and Scope.....</i>	<i>1</i>
<i>Casino Gaming Industry Backgrounds - National and Regional</i>	<i>2</i>
<i>Casino Gaming in Pennsylvania</i>	<i>5</i>
<i>Potential for a Category 3 Facility in Adams County.....</i>	<i>8</i>
Gaming Demand from Residential Target Markets	11
Gaming Demand from the “Visitor” Market.....	15
Total Gaming Revenues	18
Projected Statements of Net Operating Income	20
<i>Potential for a Category 3 Facility at Nemacolin Woodlands</i>	<i>22</i>
<i>Addendum (Gaming Qualifications of Peter R. Tyson)</i>	

INTRODUCTION AND SCOPE

In 2004, legislators in the Commonwealth of Pennsylvania (“the Commonwealth”) passed enabling legislation providing for the operation of licensed casino gaming facilities at racetracks, resorts and freestanding locations. The facilities were restricted to slot machines and video gaming devices and were restricted in number. Then, in January 2010, in response to budget shortfalls, the Commonwealth passed new legislation which, among other things, increased the numbers of slot machines allowed by various gaming facility categories and legalized table games for all licensees (again, subject to limitations concerning the numbers of games). The specifics of the new legislation are discussed later in this report.

Since 2004, a number of Category 1 and Category 2 gaming facilities have opened. Of the two permitted Category 3 (or “resort”) licenses, only one has been issued, to Valley Forge Entertainment, for a casino at their hotel/convention complex in King of Prussia. Under the current legislation, a second Category 3 license is permitted, with the possibility of a third such license to be evaluated in 2017.

At this time, two applicants for the second Category 3 license are contemplated: (1) the subject project at the Eisenhower Hotel & Conference Center south of Gettysburg in Adams County; and, (2) the Nemacolin Woodlands Resort in Fayette County, southeast of Pittsburgh.

We have been retained by Mason-Dixon Resorts, L.P. to estimate how the addition of a Category 3 license might affect the complex’s performance and, for comparative purposes, what level of stabilized casino win could be expected from a Category 3 license at Nemacolin Woodlands.

In this regard, we have performed the following specific tasks, among others. We:

- Discussed the project with you and other professionals on the project team.
- Conducted independent research concerning the performance levels of the existing gaming facilities in Pennsylvania and the proposed development plans for competing gaming facilities elsewhere in the Commonwealth.
- Analyzed the positioning and characteristics of the existing gaming facilities in West Virginia, New Jersey, Delaware and New York and the potential competition that could arise from the addition of slots-only gaming at five locations in Maryland and changes to the gaming regulations in Delaware.
- Gathered available data on relevant existing gaming operations, including performance information in relation to the gaming markets (adult populations) in their surrounding areas.

- Determined likely zones from which the subject gaming facility and a Category 3 facility at Nemacolin Woodlands could expect to draw patronage in the face of existing and expected gaming competition.
- Obtained actual and projected population data on the defined zones.
- Estimated potential gaming revenues from these “residential” markets.
- Estimated potential gaming revenues from the existing visitor bases in both Adams and Fayette Counties, with “visitors” being defined as overnight guests at the area’s hotels.
- Based on the assumptions as to the timing, scope, location and other characteristics of the other gaming facilities to be developed in certain areas of Pennsylvania and other competing venues, estimated the market shares of the residential market that both the subject and Nemacolin Woodlands casinos could expect to attract, plus estimated visitor wins, to arrive at reasonable estimates of gaming revenues that each could expect to achieve.
- Prepared estimated statements of net operating income, after a reserve for replacement, for the redeveloped Mason-Dixon Resort & Casino.
- Prepared this report summarizing our initial findings, conclusions, assumptions and estimates.
- Provided our estimates of casino win and cash flow for the subject project to Econsult Corporation for its use in preparing estimates of economic impact for the project.

CASINO GAMING INDUSTRY BACKGROUNDS – NATIONAL AND REGIONAL

For decades, Nevada was the sole United States locale for casino gaming. Las Vegas and Reno, while drive-in markets for parts of California and Arizona, were predominantly fly-in markets. Hence, a relatively small percentage of the U.S. population was familiar with casino gaming until the late 1970’s.

In 1978, the first casinos outside of Nevada opened in Atlantic City. At that time, almost 25 percent of the total U.S. population resided within 300 miles of Atlantic City, thus exposing, for the first time, a large portion of the nation’s population to casino gaming and establishing it as a legitimate form of entertainment for the masses. Win levels at the Atlantic City casino-hotels initially exceeded all expectations and continued to increase year after year until 2007 when neighboring competition began to be felt. (Note: Casino “win” is the amount wagered by gamblers less payouts to winners. It equates to the revenue available to a casino from which all of its expenses must be paid.)

Over the past two decades, the gaming mosaic in the mid-Atlantic and northeastern regions of the U.S. has changed dramatically and Atlantic City no longer has a monopolistic claim to regional gaming. The following, presented in rough chronological order, have gradually taken their toll on Atlantic City, while further broadening the exposure of the

region's population to, and increasing the popularity of, casino gaming as a form of entertainment:

- Connecticut – In 1992, the Foxwoods bingo facility added table games, then slot machines in 1993. The Mohegan Sun opened in 1996. These two Native American casinos are two of the largest casinos in the nation and offer full resort amenities.
- Rhode Island – In 1992, video lottery terminals were instituted at racinos in Rhode Island.
- New York – Turning Stone, a Native American resort, opened its casino in 1993. In 2004, the Mighty M Casino (slots-only) opened at the Monticello Raceway in the Catskills and Yonkers Raceway added slot machines in 2006. Slots have also been approved for Aqueduct Raceway in New York City.
- Delaware – Slots-only racinos opened in late 1995 and 1996 at Delaware Park (just south of Wilmington and not far from Philadelphia) and at Dover Downs and Harrington Raceways in central Delaware.
- West Virginia – Slots-only racinos opened in 1999 at Charles Town, Wheeling and other locations.
- Maine – A slots-only casino opened in Bangor in 2005.
- Pennsylvania – In late 2006, Pennsylvania's first casino, the Mohegan Sun in Wilkes-Barre, opened. At this writing, Pennsylvania has eight casinos in operation.

A major side effect of all of these additions to the gaming competitive mosaic, especially the introduction of casino gaming in neighboring Pennsylvania, has been a material decline in the win levels in Atlantic City, the cancellation of several major casino projects in the City and financial difficulties for several of the remaining 11 casino-hotels. The overall win in Atlantic City has fallen from a high of \$5.22 billion in 2006 to \$3.94 billion in 2009, a decline of 24.5 percent. (However, if Pennsylvania's 2009 win of \$1.96 billion is added to Atlantic City's win for that year, the combined win is \$5.9 billion, reflecting strong growth in total wins for the two states as compared to when Atlantic City operated in a relative vacuum, even in the depth of the current recession.)

As the Atlantic City and Delaware casinos quickly discovered to their detriment, the new casinos in Pennsylvania have been quickly accepted by their respective markets and Pennsylvania casino revenue levels have been generally strong. Further, up until 2009 in the depth of the recession, the combined wins of the selected regional casinos (New Jersey, Delaware, Charles Town in West Virginia, Pennsylvania and Yonkers in New York) reflected significant gaming market expansion. The table on the following page summarizes the casino revenue data from these areas from 2005 through 2009.

SELECTED AREA CASINO REVENUES (MILLIONS OF \$) 2005 THROUGH 2009							
Year	NJ	DE	WV *	PA	Yonkers	Total	% Chg.
2005	\$5,018	\$580	\$404			\$6,002	
2006	5,218	652	448	\$32	\$49	6,399	6.6%
2007	4,921	612	463	1,012	392	7,400	15.6
2008	4,545	589	443	1,616	486	7,679	3.8
2009	3,943	564	429	1,965	540	7,441	-3.1
* Charles Town only. Sources: "East Coast Slot Report", various gaming commissions and annual reports.							

In addition to the preceding, the following gaming-related legislations will affect the regional gaming mosaic in the near future:

- In 2009, the State of Maryland approved slot casinos at five locations, four of which in the eastern part of the state. Subsequent legislation has been introduced to allow table games, as well.
- In December 2009, county residents voted to allow table games at the racino in Charles Town, West Virginia.
- In January 2010, the Governor of Pennsylvania signed legislation permitting table games at all Pennsylvania casinos.
- In January 2010, Delaware passed legislation enabling table games at its racinos.

Some key impacts of this spread in casino gaming, and of table games as an element of this gaming, include:

- Atlantic City will continue to lose market share to the jurisdictions surrounding it on three sides.
- Greater portions of the region's population have been, are being and will continue to be exposed to gaming in more proximate venues which, according to experience over the past 50 years, will result in continued increases in the overall number of individuals electing to game in a casino or racino as a form of entertainment.
- Further dilution of the overall regional residential gaming market resulting in most casinos and racinos becoming "convenience-gaming" facilities with patronage based primarily on their proximity to, and the density (and income levels) of the surrounding residential population. This dilution phenomenon has been experienced, for example, in Pennsylvania as a second, then third casino opened in the Lehigh Valley/Poconos area with overlapping residential markets.

- Those areas with expansive and proven tourist attractions that draw significant numbers of tourists from outside of the immediate area, like Philadelphia and Gettysburg/Adams County, will benefit additionally and materially from “visitor” gaming levels.

CASINO GAMING IN PENNSYLVANIA

In 2004, Pennsylvania legislators formulated casino legislation to, in part, aid the ailing racing industry, to provide property tax relief to property owners in the Commonwealth and generate tax revenues for economic development and other uses. In general, the initial legislation provided for slots-only casino gaming in up to 14 venues, categorized as follows:

- Up to seven Category 1 licenses permitting slot machines at thoroughbred and harness racetracks:
 - Three existing thoroughbred tracks: Penn National Race Course in Grantville near Harrisburg; Philadelphia Park Racetrack in Northeast Philadelphia; and, Presque Isle Downs in Erie
 - Two existing harness tracks: The Meadows near Pittsburgh; and, the Downs at Pocono near Wilkes-Barre
 - One proposed harness track in Chester (Chester Downs)
 - One other racetrack to be built in the state
 - Up to 5,000 slot machines per facility
 - Initial license fee of \$50 million, with no annual renewal fees
- Up to five Category 2 licenses:
 - Two in Philadelphia
 - One in Pittsburgh
 - Two in undetermined locales
 - Up to 5,000 slot machines per facility
 - Initial license fee of \$50 million, with no annual renewal fees
- Up to two Category 3 licenses in established resort hotels:
 - Minimum of 275 existing hotel rooms
 - Minimum \$25 expenditure requirement for non-guests to play
 - Up to 500 slot machines per facility
 - Initial license fee of \$5 million, with no annual renewal fees

The Category 1 and 2 licenses were allowed up to 3,000 machines, with a minimum of 1,500 machines, within the first year of licensure, with the possible addition of up to 2,000 more machines after six months of operation. The Category 3 license allowed up to 500 machines.

The initial legislation for each Category 3 license called for a minimum of 275 existing guest rooms and a minimum non-hotel guest expenditure of \$25 prior to gaming. In April 2007, the Gaming Board revised these provisions to allow for timeshare units available for rental to the public to be counted as guest rooms in the minimum requirement and to reduce the non-hotel guest expenditure from a minimum of \$25 to a minimum of \$10.

The initial legislation provided that the owners/operators of each facility are to retain 45 percent of gaming revenues to cover their operating and capital costs in the first two years of operation and 48 percent thereafter. (Thus, the total effective tax rates will be 55 percent in years one and two then 52 percent thereafter.)

On these terms, nine slots-only casinos have opened in Pennsylvania. The following table presents selected information on each of these casinos and the map on page 7 indicates their approximate locations. (Note: "WPUD" stands for win-per-unit-per-day.)

PENNSYLVANIA CASINOS – DECEMBER 2009						
Casino	Map Key	Opened	# Slots at Dec. 2009	2009		Win Since Open (000)
				Win (000)	WPUD	
Mohegan Sun	1	Nov 2006	2,466	\$220,808	\$245	\$603,550
Parx (ex-Phila. Park)	2	Dec 2006	2,813	359,274	339	999,722
Harrah's Chester Downs	3	Jan 2007	3,000	315,938	297	930,361
Presque Isle	4	Feb 2007	2,000	166,701	229	472,410
Meadows	5	Jun 2007	3,725	278,474	243	647,115
Mt. Airy Lodge	6	Oct 2007	2,501	164,364	180	366,770
Hollywood	7	Feb 2008	2,364	237,722	281	408,839
Sands Bethlehem	8	May 2009	3,252	142,268	214	142,268
The Rivers	9	Aug 2009	<u>2,998</u>	<u>78,750</u>	<u>181</u>	<u>78,750</u>
Totals			<u>25,119</u>	<u>\$1,964,570</u>	<u>\$253</u>	<u>\$4,571,035</u>

Sources: Pennsylvania Gaming Control Board; PKF Consulting.

Three additional casinos, two Category 2 and one Category 3, have received licenses but have not yet opened. Phase One of the SugarHouse Casino, a Category 2 casino, is under construction on the Delaware River north of the Benjamin Franklin Bridge in Philadelphia. The Foxwoods Casino, another Category 2 casino, is proposed for a site on the Delaware south of Penns Landing in Philadelphia. This casino has received another extension and its final plans have yet to be submitted. A Category 3 resort license has been approved for a casino at the Valley Forge Entertainment complex in King of Prussia, but Philadelphia Park has objected to this license and the issue is in the courts. We assume that this objection will be denied and the casino will be built inside the complex's existing structure, opening as early as late 2010.

If and when these three facilities are opened, there would still be two licenses yet to be issued in accordance with the initial enabling legislation – one Category 1 racino license and one Category 3 resort license.

- The final Category 1 license was to be awarded to a location north of Pittsburgh, but it is our understanding that this project (Valley View Downs) has been aborted.
- Four applications/proposals for the final Category 3 license are expected: one from the subject project, the Mason-Dixon Resort & Casino in Adams County in the southcentral portion of the Commonwealth; one from the Nemacolin Woodlands Resort in the Laurel Highlands region in southwestern Pennsylvania, southeast of Pittsburgh; one from the Bushkill Group for the Fernwood Resort along the Delaware River south of the Poconos; and, one

from a group to add a casino to the Crowne Plaza Hotel in Wyomissing, a suburb of Reading.

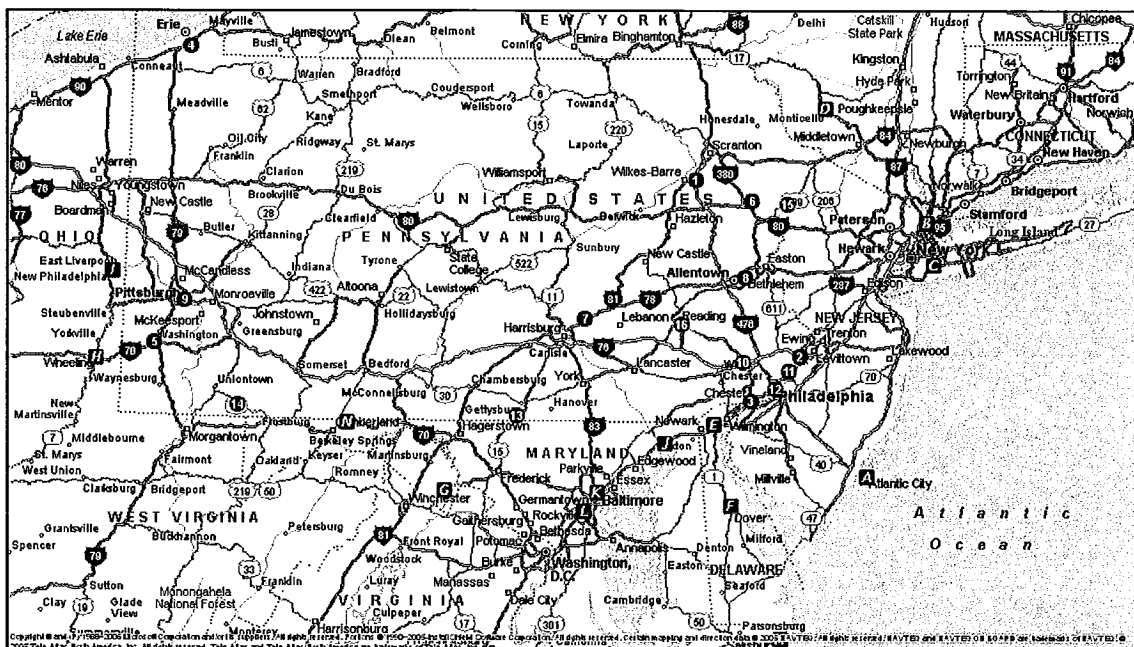
The legislation signed by Pennsylvania's Governor in January 2010 contained the following major provisions:

- Each Category 1 and 2 casino is now permitted to add up to 250 table games and each Category 3 casino to add up to 50 table games (plus increase its maximum number of slot machines to 600 from 500).
- The upfront payments to add table games are \$16.5 million for Category 1 and 2 casinos and \$7.5 million for Category 3 casinos.
- The tax on table game revenues will be 16 percent in year one then drop to 14 percent by the end of year two.
- A possible third Category 3 resort license can be considered as early as 2017.

It appears certain that every Pennsylvania licensee will opt to add table games to its gaming array for competitive reasons.

The map below indicates the approximate locations of the operating casinos in Pennsylvania, the three approved licenses that are not yet open and the major existing and proposed gaming venues in the neighboring jurisdictions that are most relevant to the two casino projects under study herein. Certain of the more remote venues in Connecticut, New York and Delaware were not shown as they would have no direct impact on the two venues under study.

The key to the venues shown on the map is found on the following page.

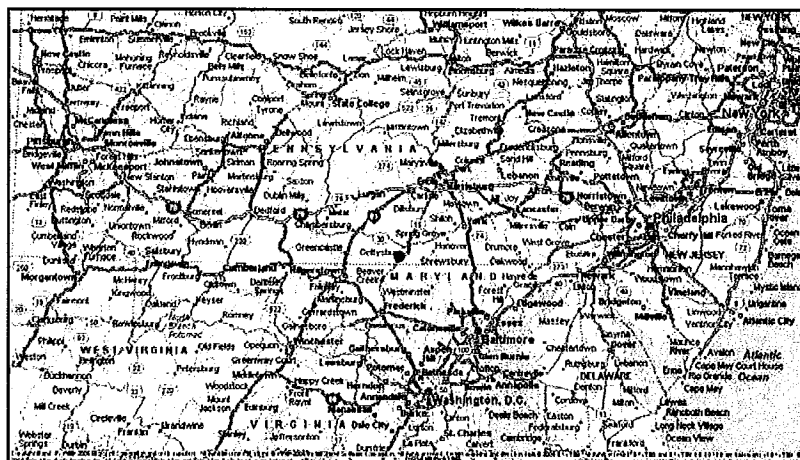


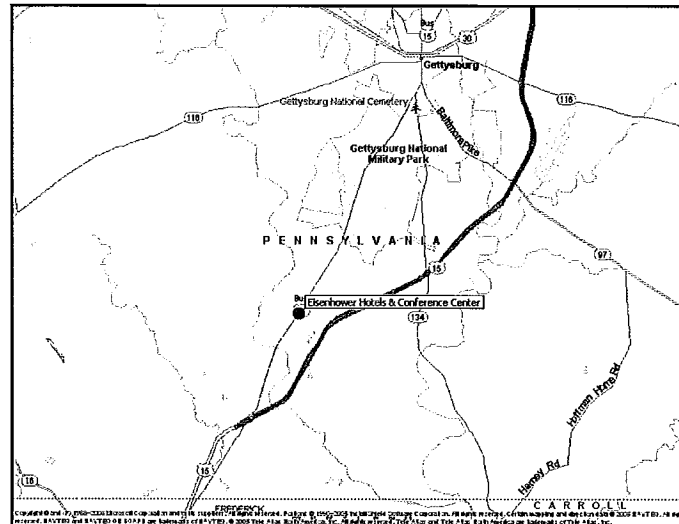
KEY TO COMPETING EXISTING AND PROPOSED GAMING VENUES MAP			
State	Key	Venue	Facilities
Pennsylvania	1	Mohegan Sun	Category 1 racino, harness track
	2	Parx (ex-Philadelphia Park)	Category 2 casino, thoroughbred track
	3	Harrah's Chester Downs	Category 1 racino, harness track
	4	Presque Isle	Category 1 racino, harness track
	5	Meadows	Category 1 racino, harness track
	6	Mt. Airy Lodge	Category 2 casino, resort
	7	Hollywood/Penn National Race Course	Category 1 racino, thoroughbred track
	8	Sands Bethlehem	Category 2 casino
	9	The Rivers	Category 1 casino
	10	Valley Forge Entertainment	Proposed Category 3 casino
	11	SugarHouse Casino	Category 2 casino, under construction
	12	Foxwoods Casino	Proposed Category 2 casino
	13	Mason-Dixon Resort & Casino	Proposed Category 3 casino
	14	Nemacolin Woodlands	Proposed Category 3 casino
	15	Fernwood Resort	Proposed Category 3 casino
	16	Wyomissing/Crowne Plaza	Proposed Category 3 casino
New Jersey	A	Atlantic City	Existing casinos (11)
New York	B	Yonkers Raceway	Existing racino (slots), harness track
	C	Aqueduct Racetrack	Proposed racino (slots), thoroughbred track
	D	Big M Gaming/Monticello Raceway	Existing racino (slots), harness track
Delaware	E	Delaware Park Racetrack & Slots	Existing casino (slots), thoroughbred track, table games approved
	F	Dover Downs	Existing casino (slots), harness track, NASCAR track, hotel, table games approved
West Virginia	G	Charles Town Races & Slots	Existing racino (slots only), harness track, hotel, table games approved
	H	Wheeling Island Hotel, Racetrack & Casino	Existing racino, greyhound track, hotel
	I	Mountaineer Casino, Racetrack & Resort	Existing racino, thoroughbred track, hotel
Maryland	J	Perryville	Proposed casino (slots only so far)
	K	City of Baltimore	Proposed casino (slots only so far)
	L	Arundel Mills	Proposed casino (slots only so far)
	M	Ocean City	Proposed racino (slots only so far)
	N	Rocky Gap State Park	Proposed smaller casino (slots only so far)

With all of these existing, under construction and proposed gaming venues in mind, we then estimated the casino win potential for the proposed Mason-Dixon Resort & Casino.

POTENTIAL FOR A CATEGORY 3 FACILITY IN ADAMS COUNTY

The proposed Category 3 gaming facility is to be part of the redeveloped Eisenhower Hotel & Conference Center complex in Adams County, Pennsylvania in the location indicated in the following maps.





The following is a Google Earth aerial photo of the existing complex.

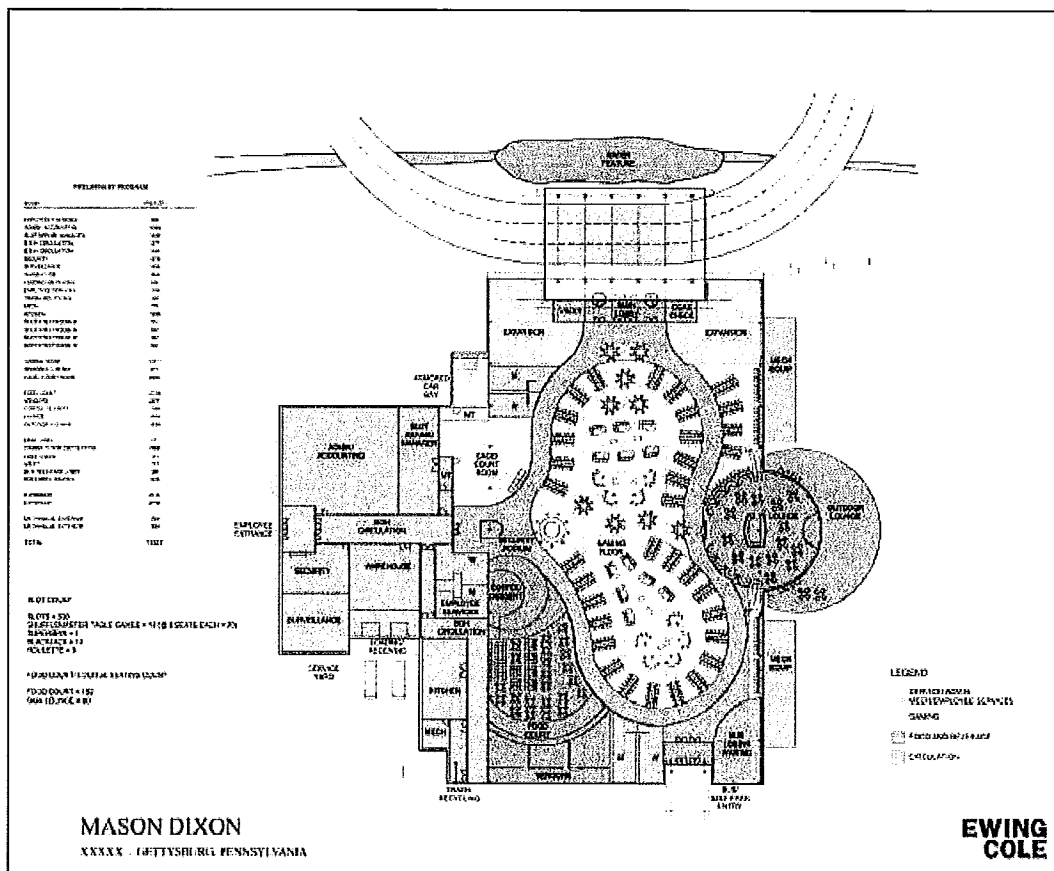


The Eisenhower Hotel & Conference Center is an established, expansive resort complex abutting limited-access Route 15 just south of Gettysburg and features the following:

- 308 guest rooms in two building complexes, Eisenhower I and Eisenhower II;

- 12,420 square feet of meeting space in Eisenhower I with six meeting rooms including a ballroom of some 9,800 square feet;
- 15,563 square feet of meeting space in Eisenhower II with 19 meeting rooms including a ballroom of some 9,700 square feet;
- Richard's Restaurant and Lounge;
- An interior tropical courtyard with an opening sky dome, indoor pool and Jacuzzi;
- A fitness room and dry saunas;
- A business center;
- Outdoor recreational amenities; and
- The Allstar (Events) Complex of some 48,260 square feet currently used for events, exhibits, etc.

The plan is to convert and expand the Events Complex to incorporate a casino with 600 slot machines, 50 table games, a food court and a lounge. The following layout was prepared for the casino building prior to the legislation allowing table games. Thus, it will be changed slightly to provide for more slot machines and table games.



The gaming revenue potential for a Category 3 casino ("the Casino") to be developed as part of the redeveloped Eisenhower Hotel & Conference Center, to be then known as the "Mason-Dixon Resort & Casino", in Adams County, Pennsylvania for a "stabilized" year (after the Casino has been open for some time and the market has been thoroughly introduced to the gaming facility) was estimated on basis of the residential and visitor populations in the area, the estimated propensities of these populations to visit gaming facilities, the estimated frequencies of their visitation, the estimated gaming budgets per visit and the penetration of the overall demand that the proposed facility could expect.

Consideration was given in arriving at these estimates to the existing and proposed competitive gaming venues that will compete with the subject facility, most particularly those casinos and racinos located in central Pennsylvania, Charles Town in West Virginia and proposed for Maryland. The win-projection methodology utilized herein has been developed over the years and successfully tested in existing gaming venues to ensure its reasonableness and validity and is, in essence, identical to the methodology used by the Control Board's Financial Suitability Task Force.

The markets for the proposed Casino in Adams County will consist of: (1) residents from the area located around the site and up to mid-way between this casino and its closest gaming competitors; and, (2) visitors staying overnight in the area who are likely to be from outside the "residential" market areas.

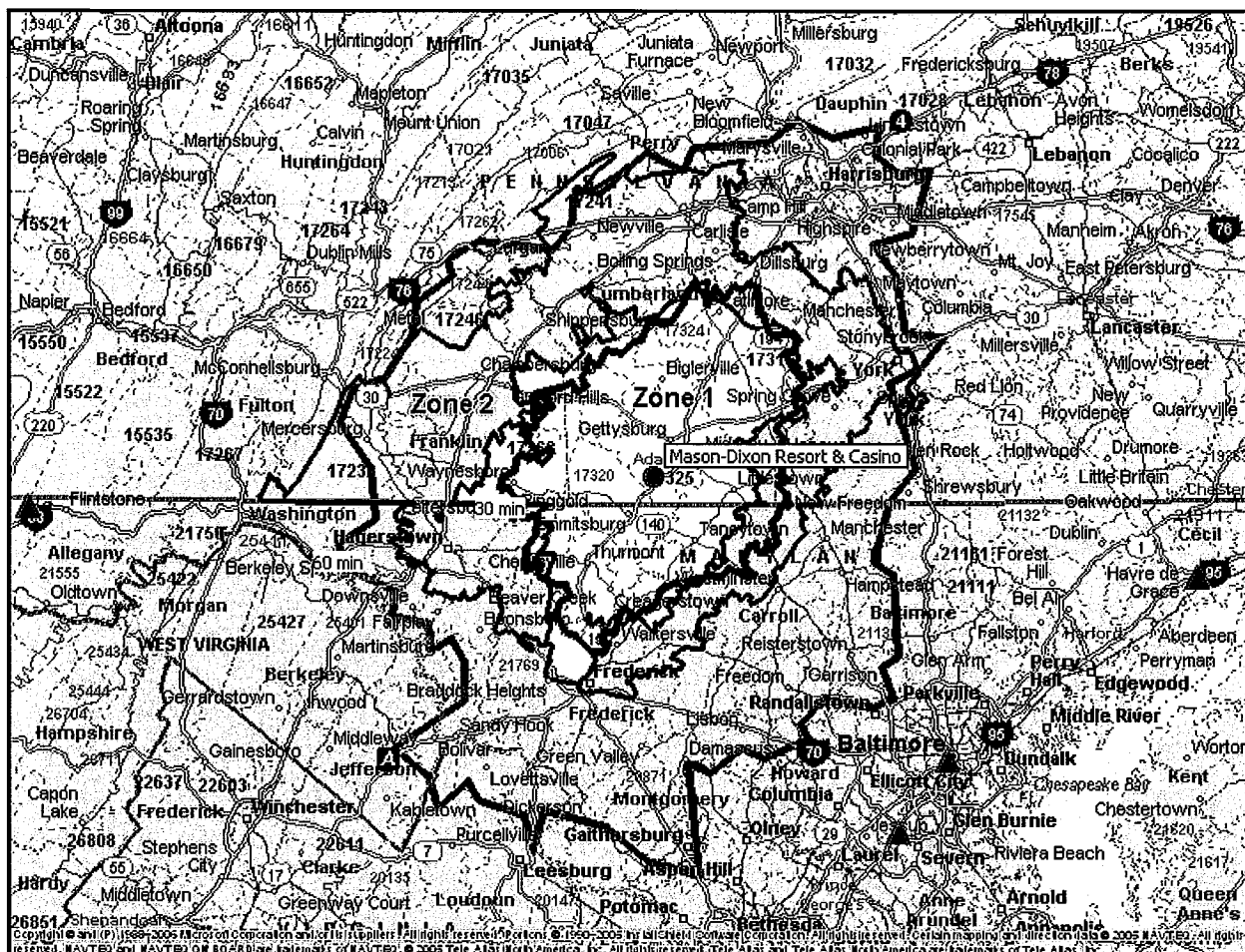
Gaming Demand from Residential Target Markets

The Casino would most directly compete with the Hollywood Casino at Penn National Racetrack in Grantville, Pennsylvania (for demand from the Harrisburg area and from the east), Charles Town Slots & Racetrack in Charles Town, West Virginia (for demand from the southwest, south and the Washington/Baltimore area) and from the new Maryland casinos to be developed along I-95 from Arundel Mills to the south to Perryville to the north and in Rocky Gap State Park to the west (for demand from the east). The relative locations of these gaming venues are shown on the map on page 7.

The first step in determining the Residential Market for the Casino was to define a zone surrounding the Casino wherein the Casino would be closer for the populations therein than any other gaming facility.

The zone map on the following page presents two drive-time zones originating at the Casino's site:

- The 30-Minute Drive-time Zone: This zone is delineated by the blue line and extends to the approximate halfway points between the Casino and the Hollywood Casino in Grantville and between the Casino and the I-95 corridor in the Baltimore area; and
- The 60-Minute Drive-time Zone: This zone is delineated by the red line and extends almost to the Hollywood Casino to the northeast, half-way to the proposed Rocky Gap gaming site in Maryland and roughly three-quarters of the way to the Baltimore-area proposed casino sites in Maryland.



Highlighted in yellow is the area encompassing all of the zip code areas that fall within the 30-minute drive-time boundaries and defined this as “Zone 1”. The Casino should be able to attract almost all of the gaming demand generated by the populations in these zip codes as it will be the most proximate and convenient venue.

We then highlighted in peach those zip code areas within the 30- to 60-minute drive-time ring which will be closer to the Casino than to other gaming venues and defined this as “Zone 2”. The theory is that the Casino should also be able to materially penetrate these markets, although not as exclusively as in Zone 1.

We then categorized the identified zip codes by the counties in which they are located for adult population, and eventual gaming demand, estimation purposes.

Population figures for each zip code were obtained from the U.S. Census Bureau for 2000 then aggregated by county and Zone. These figures were then adjusted to reflect the portion of each county’s population in 2000 that was comprised of adults of 21 years of age or above (the potential gaming market), again based on U.S. Census estimates from 2000. Population estimates for the Casino’s “stabilized year”, assumed to be 2014, were then prepared by extrapolating the overall population percentage change estimates from the U.S. Census Bureau through 2008 to 2014. All but one of the seven

counties in the Casino's two residential zones reported double-digit growths in population between 2000 and 2008 and the remaining county reported high single-digit growth. Thus, the Casino's primary residential market area is one evidencing strong population growth, which bodes well for the Casino.

The following table summarizes the resulting adult population estimates for 2014 by county and Zone for the subject casino.

MASON-DIXON RESORT & CASINO ESTIMATED ADULTS IN RESIDENTIAL ZONES 1 & 2 - 2014						
Zone	County	State	# of Zip Codes	Populations - 2000		Est. Adult Population 2014
				Total	Adults	
Zone 1:	Adams	PA	10	79,978	56,265	67,399
	York	PA	3	10,588	7,571	9,126
	Franklin	PA	3	35,503	26,225	31,511
	Carroll	MD	2	12,108	8,186	10,025
	Frederick	MD	<u>7</u>	<u>53,412</u>	<u>37,317</u>	<u>48,186</u>
			<u>25</u>	<u>191,589</u>	<u>135,564</u>	<u>166,247</u>
Zone 2:	York	PA	7	196,283	140,365	169,197
	Franklin	PA	4	75,742	54,910	65,978
	Cumberland	PA	5	95,771	67,408	76,289
	Carroll	MD	2	23,544	16,276	19,933
	Frederick	MD	2	41,864	29,949	38,672
	Washington	MD	<u>4</u>	<u>93,277</u>	<u>67,423</u>	<u>79,984</u>
			<u>24</u>	<u>526,481</u>	<u>376,331</u>	<u>450,053</u>
Totals			<u>49</u>	<u>718,070</u>	<u>511,895</u>	<u>616,300</u>

We then estimated the probabilities of the various populations in the counties and Zones to participate in casino gaming in general. Our participation estimates utilized data from periodic "Profile of the American Gambler" studies published by Harrah's Entertainment and percentages derived by industry experience, adjusted to reflect the characteristics of the populations in the various counties/Zones (e.g. the propensities to gamble decrease as the distances from existing gaming venues and metropolitan areas increase; the somewhat conservative nature of the central Pennsylvania population, the relatively strong levels of median household income in the defined area, etc.).

In arriving at our propensity-to-game estimates, we also reviewed and considered the estimates utilized by the Financial Suitability Task Force of the Pennsylvania Gaming Control Board in the numerous drive-time analyses it submitted to the Board for various venues around the Commonwealth.

As previously mentioned, it has been demonstrated consistently that the propensity-to-game increases with the proximity to a gaming venue. It has also been demonstrated that the propensity-to-game in casinos increases with household income. The weighted

average median household incomes for the areas in the Casino's zones, in 1999, were calculated to be \$45,286 for Zone 1 and \$43,312 for Zone 2, in comparison to \$40,106 for the Commonwealth as a whole.

We then applied participation or propensity-to-game percentages to the adult population estimates presented in the previous table to arrive at the estimated numbers of potential gamers from the defined zones. Participation percentages typically range from highs in the vicinity of 50 percent in urban areas and/or areas within 15-minute drives of quality established gaming facilities to below 10 percent in areas not familiar with casino gaming or more than a two- to three-hour drive from the closest venue. As the defined zones herein are within a one-hour drive of the Casino and as the area's population is generally knowledgeable about casino gaming (having had Atlantic City nearby for 30-plus years and casinos in Charles Town, West Virginia, around Philadelphia and near Harrisburg), we estimated moderate levels of visitation of 30 percent for those residents within Zone 1 (within a 30-minute drive) and 25 percent of those within Zone 2 (between a 30-minute and a 60-minute drive).

The next step in the process of estimating gaming revenue levels for the proposed Category 3 facility in Adams County was to estimate the number of visits to all gaming venues in the region that the adult residential gamers in the market would generate. We based our estimate on data developed from the experiences of other gaming areas, the data published in various Harrah's studies and, again, the estimates used in the various Financial Suitability Task Force analyses. Even though the defined zones herein extend out to only a 60-minute-drive radius, we conservatively estimated 12.0 (or monthly) visits per year for the gamers from Zone 1 and 4.0 (or quarterly) visits per year for the gamers from Zone 2.

We then estimated the distribution of the gaming visits for the residents of the zip codes in the various counties and Zones. Again, experience indicates that most gaming patrons will tend to primarily patronize the gaming venues closest to their residence, all other factors being equal. However, they will travel further to patronize venues with special attributes or periodically just to vary their routine. Based on our experience in the gaming industry and our assumptions as to the number and types of competing venues that will be in operation in the period under study, we estimated that 75 percent of the gaming demand generated by the residents of Zone 1 and 50 percent of the demand generated by the Zone 2 residents will accrue to the Mason-Dixon Resort & Casino. The remainder of the gaming demand generated by these residents will gravitate to the Hollywood Casino in Grantville and other existing and proposed venues in West Virginia, Pennsylvania and Maryland and some will continue to periodically make the trek to Atlantic City.

The estimated gaming expenditures/budgeted gaming amounts per visit were based on the household income data for the target counties, our and others' experience with existing gaming markets, internal analyses conducted by gaming companies and general estimates used by gaming companies, analysts and the Financial Suitability Task Force.

The following table presents recent win-per-visitor results for the Atlantic City and Mississippi Gulf Coast markets. It should be noted that the Gulf Coast is still rebounding

from the effects of Hurricane Katrina in 2005 which destroyed most of the area's casinos and that the Gulf Coast casinos have proportionately fewer table games, which typically generate higher wins-per-player.

CASINO WINS-PER-VISITOR ("WPV") ATLANTIC CITY AND MISSISSIPPI GULF COAST 2005 THROUGH 2008						
Year	Atlantic City			Mississippi Gulf Coast		
	Win (000)	Visitors (000)	WPV	Win (000)	Visitors (000)	WPV
2005	\$5,018,275	34,924	\$144	\$886,158	12,254	\$72
2006	5,217,715	34,534	151	910,696	10,172	90
2007	4,920,786	33,300	148	1,302,102	16,759	78
2008	4,545,236	31,813	143	1,258,355	15,216	83
Sources: New Jersey & Mississippi Gaming Commissions.						

Our analysis was tempered by the fact that non-hotel guests at a Category 3 facility will be required to spend a minimum of \$10 on the property before being permitted to gamble. This requirement should not be much of a competitive deterrent, as most patrons fully expect to spend at least \$10 on food, beverages and merchandise during their visit. In this instance, they will simply be required to do so prior to gaming. (Note: It is uncertain how this requirement will be enforced. It is possible that a patron could simply pay \$10 at the entrance and be given a card/voucher for \$10 for use in the Center's restaurant, lounge and/or retail outlets.)

Upon consideration of all of these data, we conservatively assumed that the gaming revenue/win per residential gaming patron per day will be \$100 for the Zone 1 gamers and \$120 for the Zone 2 gamers, both in 2010 dollars.

The following table summarizes all of the preceding assumptions and presents our estimate of residential gaming win in a stabilized year of approximately \$71.9 million in 2010 dollars.

ESTIMATED RESIDENTIAL CASINO WIN - MASON-DIXON RESORT & CASINO STABILIZED YEAR - 2014									
Zone	Adult Population 2014	Participation Percentages	Gaming Adults	Visits/ Year	Annual Visits	Mason-Dixon Share	Mason-Dixon Gamers	Win Per Visit	Estimated Win
Zone 1	166,247	30.0%	49,874	12	598,489	75%	448,867	\$100	\$44,886,690
Zone 2	<u>450,053</u>	<u>25.0%</u>	<u>112,513</u>	<u>4</u>	<u>450,053</u>	<u>50%</u>	<u>225,027</u>	<u>\$120</u>	<u>\$27,003,180</u>
Totals	<u>616,300</u>	<u>26.3%</u>	<u>162,387</u>	<u>6</u>	<u>1,048,542</u>	<u>64%</u>	<u>673,893</u>	<u>\$107</u>	<u>\$71,889,870</u>

We also estimated additional win to arise from area "visitors". The following paragraphs discuss this element of the projected win for the Casino.

Gaming Demand from the "Visitor" Market

Gettysburg and its environs already constitute a major visitor attraction, with some three million visitors coming to its historical sites and coming to the area to conduct business

or attend conventions, association gatherings and group meetings. Many of these visitors come from afar and stay overnight in the area's hotels. These guests represent a viable secondary market for a casino in Adams County.

According to the "2007 Pennsylvania Travel Profile", with data supplied by D.K. Shifflet & Associates, Ltd., the Hershey/Gettysburg/York "secondary region" (comprised of Adams, Cumberland, Dauphin, Franklin, Lebanon, Perry and York Counties) ranked second in 2007 (up from third in 2006) among the Commonwealth's tourism regions with an estimated 7.9 million overnight leisure visitors. Some 71 percent of these visitors paid for overnight stays at hotels or motels, with the remainder staying in a private homes or campgrounds. The average length of stay of these visitors was 3.1 days and their median age was 42. Their average expenditures were \$102.80 per person per day and \$907 per trip. Their median household income was \$80,200. Some 52 percent of these visitors were visiting on vacation, including getaway weekends. Pennsylvania residents accounted for 23 percent of these visits, followed by residents of New York (15 percent), New Jersey (12 percent), Maryland (9 percent) and Virginia (9 percent). There were no specific visitor statistics for Gettysburg, but the Gettysburg Convention & Visitors Bureau estimates some three million visitors per year to the Gettysburg area.

The major attraction in Adams County is the 6,000-acre Gettysburg National Military Park. The Park reports approximately 2.0 million visitors per year. The new \$103-million Gettysburg Museum and Visitor Center opened in September 2008. The area also hosts the Gettysburg National Cemetery and other public and private battle-related attractions.

Smith Travel Research ("STR"), the nation's pre-eminent lodging industry data source, lists 26 hotels, with 2,159 available rooms per day, in Adams County as of December 2009. The following table summarizes annual performance data for this group of hotels from 2003 through 2009. (Note: "Demand" is the same as occupied rooms or room-nights.)

ADAMS COUNTY, PA HOTEL MARKET PERFORMANCE 2003 THROUGH 2009						
Year	Annual Supply	Annual Demand		Occ. %	Average Room Rate	
		Amount	% Chg.		\$	% Chg.
2003	562,106	339,755		60.4%	\$82.18	
2004	601,652	352,545	3.8%	58.6	85.26	3.8%
2005	617,580	348,276	-1.2	56.4	88.66	4.0
2006	694,348	347,636	-0.2	50.1	90.92	2.6
2007	760,466	372,847	7.3	49.0	92.73	2.0
2008	762,485	404,052	8.4	53.0	94.59	2.0
2009	773,195	391,380	-3.1	50.6	92.96	-1.7

As the data in the preceding table indicate, the occupancy levels of the Adams County hotels are low by industry standards, as 70 percent is generally considered a healthy level of occupancy. These relatively low levels of occupancy are due to the seasonality of the area lodging market which relies heavily on visitation levels at the Gettysburg Historical Park, which drop dramatically in the colder months and on weekdays during the school year. The following table summarizes monthly performance data for this aggre-

gate group of hotels for the 12 months ended December 31, 2009 and reflects this seasonality (in both occupancy and average room rate).

ADAMS COUNTY HOTEL 2009 MONTHLY PERFORMANCE		
Period	Occupancy	Average Room Rate
January	27.1%	\$71.71
February	33.0	70.54
March	41.5	75.01
April	60.2	88.81
May	58.1	102.29
June	69.7	100.38
July	72.8	104.85
August	63.4	101.49
September	57.1	94.52
October	62.7	101.13
November	39.0	85.12
December	22.2	68.99

The following table presents STR performance data for these hotels that indicate day-of-the-week seasonality, with stronger performance experienced on weekend nights. As indicated, area occupancy and average room rate levels are highest during the late spring, summer and fall months and on Fridays and Saturdays which indicates that the Gettysburg hotel market is tourism-oriented as those periods are typically stronger for leisure travel.

ADAMS COUNTY HOTEL 2009 DAILY PERFORMANCE		
Period	Occupancy	Average Room Rate
Mondays	43.8%	\$87.68
Tuesdays	47.0	88.22
Wednesdays	48.6	89.11
Thursdays	49.5	89.74
Fridays	61.9	100.16
Saturdays	66.9	101.20
Sundays	36.7	87.69

Most of the hotels in the existing supply in Gettysburg are smaller (less than 100 rooms), limited-service properties. The primary exception is the subject independent 308-room Eisenhower Hotel & Conference Center, located southwest of Gettysburg on Route 15, which offers substantial convention, group meeting and exhibit space and attracts significant amounts of group business.

Based on the experience of existing gaming areas, it is certain that a casino in Adams County will attract gaming patrons from those hotel guests already staying overnight in the area. The casino would be an added amenity to the area's array of attractions and recreational options. Estimates of such patronages in selected gaming venues are 30 percent in Detroit, 40 percent in the Tunica, Mississippi markets and 60 percent along the Mississippi Gulf Coast. For the more urban casinos in the Philadelphia area, where there is a myriad of entertainment options, we typically estimate that some 20 percent of all hotel guests will visit a casino during their stay.

To estimate the gaming win from hotel guests in the Gettysburg area, defined by us for this analysis as Adams County, we first conservatively assumed that the number of occupied rooms in Adams County would remain at recent levels of approximately 400,000 room-nights. Multiplying this number of occupied rooms by an estimated 1.75 adult guests per occupied room results in an estimated total adult guest count of 700,000. Dividing this number by an estimated 1.5-night average length-of-stay results in an estimate of some 467,000 separate hotel guests for the market. We then conservatively estimated that 20 percent, or roughly 93,300, of the adult guests would visit the Casino during their stay. We finally estimated an average win-per-visit of \$120, the same as the per-visit win estimate for the Zone 2 residents.

These estimates result in a casino win of some \$11.2 million in 2010 dollars from "visitors" in a "stabilized" year, or approximately 15.6 percent of the "stabilized" residential win or 13.5 percent of the total estimated win. While there will certainly also be day-trip visitors from outside of the define residential zones who will opt to visit the Casino, we conservatively did not estimate any incremental casino win from this source.

Total Gaming Revenues

As just discussed, we estimated stabilized-year gaming revenues for the proposed Category 3 facility of \$71.9 million from the residential market and \$11.2 million from the visitor market, totaling \$83.1 million, all in 2010 dollars. The following table summarizes these stabilized-year estimates.

ESTIMATED CASINO WIN - MASON-DIXON RESORT & CASINO STABILIZED YEAR - 2014									
	Adult Population 2014	Participation Percentages	Gaming Adults	Visits/ Year	Annual Visits	Eisenhower Share	Eisenhower Gamers	Win Per Visit	Estimated Win
Zone 1	166,247	30.0%	49,874	12	598,489	75%	448,867	\$100	\$44,886,690
Zone 2	<u>450,053</u>	<u>25.0%</u>	<u>112,513</u>	<u>4</u>	<u>450,053</u>	<u>50%</u>	<u>225,027</u>	<u>\$120</u>	<u>\$27,003,180</u>
Sub-totals	<u>616,300</u>	<u>26.3%</u>	<u>162,387</u>	<u>6</u>	<u>1,048,542</u>	<u>64%</u>	<u>673,893</u>	<u>\$107</u>	\$71,889,870
"Visitors":									
Occupied rooms (county)		400,000							
Adults/occupied room		<u>1.75</u>							
Adult guests		700,000							
Length-of-stay (nights)		<u>1.5</u>							
Separate guests		466,667							
Percent gaming		<u>20.0%</u>							
Gaming visitors		<u>93,333</u>						<u>\$120</u>	<u>\$11,200,000</u>
Total win (2010 dollars)									<u>\$83,089,870</u>
Total win (inflated dollars, rounded)							<u>1.1255</u>		<u>\$93,520,000</u>
Alternative win estimate (2010 dollars):			<u>Units</u>	<u>WPUD</u>	<u>Win</u>				
Slot machines			600	\$275	\$60,225,000	72.5%			
Table games			50	\$1,250	<u>\$22,812,500</u>	<u>27.5%</u>			
Totals			<u>650</u>		<u>\$83,037,500</u>	<u>100.0%</u>			

We also prepared a stabilized-year win estimate by an alternative win-per-unit-per-day ("WPUD") methodology as a reasonableness test to our drive-time methodology. Based on the recent WPUD experiences of the existing casinos in Pennsylvania (see the table on page 6) and other venues in the northeast, we believe that the Casino could readily anticipate and achieve a WPUD for its 600 slot machines of \$275 in its stabilized year. Based on the 2008 experience of the overall WPUDs for table games in Atlantic City (ranging from \$1,613 to \$3,570 and averaging \$2,347), we conservatively estimated an overall WPUD of \$1,250 per unit for the Casino's 50 table games in its stabilized year. These WPUD estimates result in an overall win estimate of \$83.0 million, virtually identical to the win estimated by the drive-time methodology.

Realizing that there are and will be other casinos in operation in the region and that the subject facility will have to develop a customer base, we estimated a three-year ramp-up period to achieve the projected levels of stabilized gaming revenues. We estimated that year one's revenue level would be 95.0 percent of the stabilized level and year two's at 97.5 percent.

The following table summarizes all of the preceding estimates to arrive at the projected aggregate gaming revenues for the Casino, in both 2010 dollars and inflated dollars assuming an annual inflation rate of 3.0 percent per year and an opening on or about January 1, 2011. The win-per-position-per-day ("WPPPD") figures were calculated on the basis of 600 slot machines and 50 table games with six gaming positions per table (or a total of 900 gaming positions).

MASON-DIXON RESORT & CASINO ESTIMATED LEVELS OF GAMING REVENUE 2011 THROUGH 2015							
Year	"Stabilized" Gaming Revenues in 2010\$ (000)	"Build-Up" %s	Gaming Revenues in 2010\$ (000)	WPPPD (2010\$)	Inflation Factor	Gaming Revenues in Infl. \$ (000)	WPPPD (Infl. \$)
2011	\$83,100	95.0%	\$78,900	\$240	1.0300	\$81,267	\$247
2012	83,100	97.5	81,000	246	1.0609	85,933	262
2013	83,100	100.0	83,100	253	1.0927	90,806	276
2014	83,100	100.0	83,100	253	1.1255	93,530	285
2015	83,100	100.0	83,100	253	1.1593	96,336	293

Source: PKF Consulting.

The estimated total gaming revenue levels and the resultant WPPPD levels for the proposed Category 3 facility in Adams County appear reasonable, if not conservative, in our opinion when compared to the other Pennsylvania casinos, especially in those areas where market dilution has not been a material factor (Meadows, Parc, Chester Downs) and especially when it is considered that each of these venues offers four to five times the numbers of slots to be offered by the Adams County facility. (Typically, the lower the number of slots, the higher the win-per-unit, as the overall WPUDs are not as diluted by slower periods of play.)

Projected Statements of Net Operating Income

As requested, we then prepared estimated statements of Net Operating Income After Reserve, or cash flow available for debt service, for the entire Mason-Dixon Resort & Casino for its first five years of operation.

Our estimates considered the historical operating results of the Eisenhower Hotel & Conference Center which are summarized in the following table for 2007 and 2008.

Eisenhower Hotel & Conference Center				
Historical Operating Results				
	2007			
Number of Units:	308			
Number of Months:	12			
Number of Annual Rooms Available:	112,420			
Number of Rooms Occupied:	31,798			
Annual Occupancy:	28.3%			
Average Daily Rate:	\$94.61			
RevPAR:	\$26.76			
	Amount	Percent	P.A.R.	P.O.R.
Revenues				
Rooms	\$3,008,374	53.6%	\$9,767	\$94.61
Food	1,706,567	30.4%	5,541	53.67
Beverage	288,177	5.1%	936	9.06
Deli	103,837	1.8%	337	3.27
Events Complex	489,537	8.7%	1,589	15.40
Other Operated Departments	16,432	0.3%	53	0.52
Rentals and Other Income	0	0.0%	0	0.00
Total Revenues	5,612,924	100.0%	18,224	176.52
Departmental Expenses				
Rooms	969,828	32.2%	3,149	30.50
Food	1,237,470	72.5%	4,018	38.92
Beverage	142,751	49.5%	463	4.49
Deli	101,292	97.5%	329	3.19
Events Complex	238,859	48.8%	776	7.51
Other Operated Departments	44,644	271.7%	145	1.40
Total Departmental Expenses	2,734,844	48.7%	8,879	86.01
Departmental Profit	2,878,080	51.3%	9,344	90.51
Undistributed Expenses				
Administrative & General	503,900	9.0%	1,636	15.85
Marketing	258,857	4.6%	840	8.14
Property Operation and Maintenance	416,111	7.4%	1,351	13.09
Utility Costs	514,539	9.2%	1,671	16.18
Total Undistributed Operating Expenses	1,693,407	30.2%	5,498	53.26
Gross Operating Profit	1,184,673	21.1%	3,846	37.26
Base Management Fee	95,285	1.7%	309	3.00
Fixed Expenses				
Property Taxes	224,855	4.0%	730	7.07
Insurance	212,692	3.8%	691	6.69
Owners' Expenses	80	0.0%	0	0.00
Total Fixed Expenses	437,627	7.8%	1,421	13.76
Net Operating Income	\$651,761	11.6%	\$2,116	\$20.50
Source: Eisenhower Management.				
	2008			
	308			
	12			
	112,728			
	35,522			
	31.5%			
	\$94.67			
	\$29.83			
	Amount	Percent	P.A.R.	P.O.R.
	\$3,362,797	56.1%	\$10,918	\$94.67
	1,639,671	27.4%	5,324	46.16
	390,814	6.5%	1,269	11.00
	109,434	1.8%	355	3.08
	455,748	7.6%	1,480	12.83
	35,619	0.6%	116	1.00
	0	0.0%	0	0.00
	5,994,083	100.0%	19,461	168.74
	785,558	23.4%	2,551	22.11
	1,172,328	71.5%	3,806	33.00
	164,320	42.0%	534	4.63
	102,774	93.9%	334	2.89
	168,468	37.0%	547	4.74
	26,741	75.1%	87	0.75
	2,420,189	40.4%	7,858	68.13
	3,573,894	59.6%	11,604	100.61
	543,257	9.1%	1,764	15.29
	389,925	6.5%	1,266	10.98
	410,340	6.8%	1,332	11.55
	496,025	8.3%	1,610	13.96
	1,839,547	30.7%	5,973	51.79
	1,734,347	28.9%	5,631	48.82
	164,993	2.8%	536	4.64
	276,777	4.6%	899	7.79
	187,148	3.1%	608	5.27
	23,799	0.4%	77	0.67
	487,870	8.1%	1,584	13.73
	\$1,081,484	18.0%	\$3,511	\$30.45

Selected adjustments were made to the historical operating statements of the Eisenhower Hotel & Conference Center. These adjustments included the following.

- The Events Complex would be converted and expanded for the Casino and related food and beverage amenities;
- Enhanced marketing efforts for the entire complex would be instituted;
- Additional rooms, food, beverage and casino revenues from, and operating and overhead expenses associated with, the Casino were included;

- A relatively minor amount of net income associated with the Devonshire Apartments, which will be part of the purchase of the existing Eisenhower assets, was added as “Rents and Other Income”;
- Gaming tax percentages were projected to be 55 percent of slot win, 16 percent of table win in years one and two then 14 percent thereafter (the taxes are included in Casino Expenses);
- All administrative and general, marketing, property operations and maintenance and utilities’ expenses related to the Casino are included in the appropriate Undistributed Expense category;
- A management fee of 1.5 percent of total revenues was assumed; and
- Reserves for the replacement of furniture, fixtures and equipment equal to 4.0 percent of total revenues were assumed.

In addition to the historical operating statements for the Eisenhower complex (and the Devonshire Apartments mentioned below), we also referred to the operating statements of existing casinos in New Jersey and elsewhere as bases for our projections.

With the addition of the Casino to the Eisenhower Hotel & Conference Center’s array of accommodation, food, beverage and meeting/conference facilities, we project that the property will be able to achieve much higher levels of occupancy, albeit at reasonably conservative average room rates consistent with a mid-market positioning.

We projected occupancy and average room rate for the Mason-Dixon Resort & Casino by day-of-the-week and month-of-the-year for the third, stabilized year of operation to be as shown as summarized on the table on the following page. In summary, we projected the property to increase its occupancy to a stabilized level of 74 percent at an average room rate of \$96.00 in 2010 dollars, with much higher levels of occupancy and average room rate on Friday and Saturday nights and during the summer months. While the projected hotel occupancy for the complex is significantly higher than the current Adams County average of around 50 percent (see the table on page 16), hotels with casinos typically outperform an area’s noncasino-hotels by a wide margin. In Atlantic City, for instance, the casino-hotel occupancy in 2008 was 87.4 percent versus the non-casino-hotel occupancy of 57.6 percent. For the Mississippi Gulf Coast in 2008, the casino-hotel occupancy was 84.4 percent, while the noncasino-hotel occupancy was 64.6 percent.

The table on the following page summarizes our estimates of occupancy and average room rate (in 2010 dollars) by season, for a stabilized year. (For the purposes of this summary, “Winter” includes January, February and December; “Spring” includes March through May, “Summer” includes June through August and “Fall” includes September through November.)

MASON-DIXON RESORT & CASINO - STABILIZED YEAR														
Season	Day of Week	# of Days	Avail. Rms. at 308	Occupancy		% of Demand				Occupied Rooms				Room Revenues
				%	Rms.	Comm.	C&GM	Leisure	Total	Comm.	C&GM	Leisure	Total	
Winter:	Mon.-Thurs.	50	15,400	43%	6,653	50%	45%	5%	100%	3,326	2,994	333	6,653	\$80
	Fri. & Sat.	27	8,316	83%	6,915	5%	0%	95%	100%	346	0	6,569	6,915	\$90
	Sun.	13	4,004	43%	1,725	5%	5%	90%	100%	86	86	1,552	1,725	\$80
	Total	90	27,720	55%	15,292	25%	20%	55%	100%	3,758	3,080	8,454	15,292	\$85
Spring:	Mon.-Thurs.	53	16,324	70%	11,411	40%	55%	5%	100%	4,547	6,294	571	11,411	\$87
	Fri. & Sat.	26	8,008	92%	7,330	5%	0%	95%	100%	367	0	6,964	7,330	\$97
	Sun.	13	4,004	55%	2,218	5%	5%	90%	100%	111	111	1,996	2,218	\$87
	Total	92	28,336	74%	20,959	24%	31%	45%	100%	5,024	6,405	9,530	20,959	\$90
Summer:	Mon.-Thurs.	53	16,324	93%	15,231	35%	60%	5%	100%	5,331	9,138	762	15,231	\$105
	Fri. & Sat.	26	8,008	98%	7,848	5%	0%	95%	100%	392	0	7,455	7,848	\$115
	Sun.	13	4,004	87%	3,480	5%	5%	90%	100%	174	174	3,132	3,480	\$106
	Total	92	28,336	94%	26,559	22%	35%	43%	100%	5,897	9,312	11,349	26,559	\$108
Fall:	Mon.-Thurs.	52	16,016	70%	11,180	40%	55%	5%	100%	4,442	6,179	559	11,180	\$90
	Fri. & Sat.	26	8,008	90%	7,223	5%	0%	95%	100%	361	0	6,861	7,223	\$100
	Sun.	13	4,004	60%	2,402	5%	5%	90%	100%	120	120	2,162	2,402	\$91
	Total	91	28,028	74%	20,805	24%	30%	46%	100%	4,923	6,299	9,583	20,805	\$94
Annual		365	112,420	74%	83,616	23%	30%	47%	100%	19,603	25,097	38,916	83,616	\$96

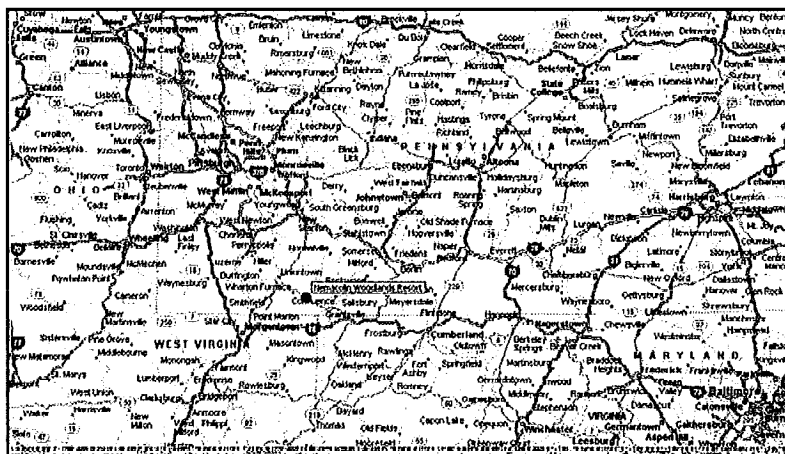
In years one and two leading to the stabilized year, we projected lower levels of occupancy (66 percent in 2011 and 72 percent in 2012) at the same level of average room rate (\$96.00 in 2010 dollars).

Our projections of cash flow for the Casino for its first five years of operation are presented on the following page.

POTENTIAL FOR A CATEGORY 3 FACILITY AT NEMACOLIN WOODLANDS

We were also asked to estimate a stabilized level of casino win for a Category 3 casino if developed at part of the Nemacolin Woodlands Resort in Fayette County, Pennsylvania.

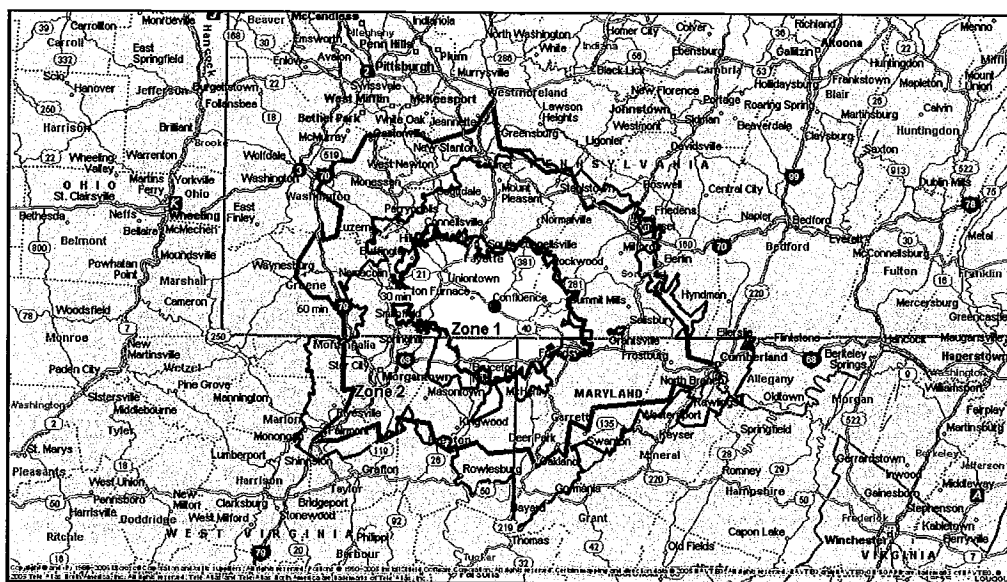
The following map indicates the relatively remote location of this upscale, fully-arrayed resort property. Downtown Pittsburgh is the closest major city to the Resort, some 130 miles, or a 2.75-hour drive, from the Resort by car, according to Microsoft MapPoint. Further, the Pittsburgh area is already served by one casino in its downtown area and one casino in Washington, Pennsylvania south of Pittsburgh (some 49 miles or a one-hour drive from the Resort). Also, if and when a casino is opened at Rocky Gap State Park in Maryland, that facility would only be 60 miles, or a 70-minute drive away from Nemacolin Woodlands.



According to the website of the Nemacolin Woodlands Resort ("the Resort"), it is situated on 2,000 acres and is one of only 21 hotels in the world to host both five-diamond AAA lodging and dining facilities. This property is privately-owned and has been developed over time to become one of the most prestigious, high-end resorts in the entire mid-Atlantic region. The Resort encompasses several lodging properties, totaling 335 rooms and suites, and offers meeting and conference facilities, golf, tennis, horseback riding, shooting, fishing, fly-in facilities, a spa and many other amenities typical of a luxury resort.

In order to estimate the stabilized casino revenue potential of the Resort, we prepared the same analyses as we prepared for the Adams County casino. For brevity sake, we are presenting herein only summary analyses and comparisons with the Adams County location.

We first defined residential zones for the Resort in the same manner as we did for the Adams County facility. The following is the resulting zone map.



As the above map indicates, there are existing and proposed casinos to the northwest and southeast of the Nemacolin Woodlands that would capture most of the gaming demand from those areas.

Unfortunately for Nemacolin Woodlands in this context, as proximate populations are key sources of business for a casino, it does not have as substantial a nearby population base to penetrate as will the Adams County casino. The table on the following page compares the adult populations estimated for 2014 in each location's two residential zones. Further, the residential zones surrounding Nemacolin Woodlands do not have nearly the median household income levels as do those around the Adams County site as indicated in the table. As gaming propensity (and gaming budgets) increase with median household incomes, this factor also does not bode well for a casino at the Resort.

COMPARATIVE DEMOGRAPHIC METRICS NEMACOLIN WOODLANDS VS. ADAMS COUNTY		
Metric	Nemacolin Woodlands	Adams County
Adult Populations – 2014:		
Zone 1	70,512	166,247
Zone 2	<u>197,997</u>	<u>450,053</u>
Total	<u>268,509</u>	<u>616,300</u>
Median Household Incomes – 2009:		
Zone 1	\$29,426	\$45,286
Zone 2	<u>30,868</u>	<u>43,312</u>
Total	<u>\$30,469</u>	<u>\$43,824</u>

We then prepared a residential win analysis for the Resort identical to that prepared for Adams County. The participation, visit-frequency and per-visit gaming budget estimates used for the Resort were the same as those used for the Adams County casino, even though the lower income levels of the population surrounding Nemacolin Woodlands could justify lower participation percentages, lower visit frequencies and lower gaming budgets.

We projected a somewhat higher penetration share of the Zone 2 population for the Resort, as there will be less material competition to the Resort's east and southeast.

The following table summarizes these estimates resulting in a total stabilized residential win estimate, in 2010 dollars, for the Nemacolin Woodlands Resort of \$36.9 million. This level of residential win is some \$35 million, or 49 percent, less than the level projected for the Adams County casino.

ESTIMATED RESIDENTIAL CASINO WIN - NEMACOLIN WOODLANDS RESORT STABILIZED YEAR - 2014									
Zone	Adult Population 2014	Participation Percentages	Gaming Adults	Visits/ Year	Annual Visits	Nemacolin Share	Nemacolin Gamers	Win Per Visit	Estimated Win
Zone 1	70,512	30.0%	21,154	12	253,843	75%	190,382	\$100	\$19,038,240
Zone 2	<u>197,997</u>	<u>25.0%</u>	<u>49,499</u>	4	<u>197,997</u>	<u>75%</u>	<u>148,498</u>	<u>\$120</u>	<u>\$17,819,730</u>
Totals	<u>268,509</u>	<u>26.3%</u>	<u>70,653</u>	<u>6</u>	<u>451,840</u>	<u>75%</u>	<u>338,880</u>	<u>\$109</u>	<u>\$36,857,970</u>

We then estimated the level of stabilized casino win that a casino at the Resort could anticipate from "visitors". According to the 2007 D.K. Shifflet tourism study previously mentioned, the Laurel Highlands secondary tourist region of Pennsylvania, in which Nemacolin Woodlands is located, attracted some 1.8 million overnight visitors in 2007, as compared to 7.9 million overnight leisure visitors for the Hershey/Gettysburg/York region. According to Smith Travel Research, Fayette County had 17 hotels totaling 1,296 rooms at December 2009. Total accommodated demand among these hotels in 2009 was approximately 280,000 occupied rooms (some 111,000 fewer occupied rooms than in Adams County). Basically, even though there is a lot less hotel demand in

the area of the Resort, we anticipate that the upscale nature of the Resort and its less of a family orientation will enable it to generate greater levels of participation (30 percent versus 20 percent for Adams County) and win-per-visit (\$150 versus \$120 for Adams County), primarily resulting from in-house guests of the Nemaquin Woodlands Resort. Total visitor win for the Resort in a stabilized year was estimated at \$12.6 million (versus \$11.2 million for the Adams County casino).

The following table summarizes both the residential and visitor win estimates for Nemaquin Woodlands.

ESTIMATED CASINO WIN - NEMACOLIN WOODLANDS RESORT STABILIZED YEAR - 2014									
	Adult Population 2014	Participation Percentages	Gaming Adults	Visits/ Year	Annual Visits	Nemaquin Share	Nemaquin Gamers	Win Per Visit	Estimated Win
Zone 1	70,512	30.0%	21,154	12	253,843	75%	190,382	\$100	\$19,038,240
Zone 2	197,997	25.0%	49,499	4	197,997	75%	148,498	\$120	\$17,819,730
Sub-totals	268,509	26.3%	70,653	6	451,840	75%	338,880	\$109	\$36,857,970
"Visitors":									
Occupied rooms (county)		280,000							
Adults/Occupied room		2							
Adult guests		560,000							
Length-of-stay (nights)		2							
Separate guests		280,000							
Percent gaming		30.0%							
Gaming visitors		84,000							
								\$150	\$12,600,000
Total win (2010 dollars)									\$49,457,970
Total win (inflated dollars, rounded)							1.1255		\$55,670,000
Alternative win estimate (2010 dollars):									
			Units	WPUD	Win				
Slot machines			600	\$150	\$32,850,000				
Table games			50	\$1,000	\$18,250,000				
Totals			650		\$51,100,000				

As indicated, we project a total stabilized win of \$49.5 million for the Nemaquin Woodlands Resort in 2010 dollars. This level of win is some \$33.6 million, or 40 percent, less than that proposed for the Mason-Dixon Resort & Casino in Adams County.

ADDENDUM

PETER R. TYSON

Qualifications in Consulting to the Gaming Industry

Peter R. Tyson, a Vice President in PKF Consulting's Philadelphia office, has over 40 years of experience in both the operations and consulting aspects of the hospitality industry and over 30 years of specific experience in the gaming segment of the industry. His experiences have ranged from basic employee positions to management in both the hotel and restaurant industries and from entry-level consultant to Partner-in-Charge of the largest hospitality industry consulting practice of Laventhol & Horwath, itself the largest hospitality consulting firm in the world prior to its dissolution in November 1990.

Mr. Tyson has performed the following types of services for all types of casinos, including riverboats and casino-hotels, as well as for hotels, motels, resorts, restaurants, food and beverage concessions, country clubs, stadia, marinas, museums and other forms of hospitality/leisure time industry ventures. He frequently works as a special consultant to real estate appraisers to provide hotel and gaming expertise and prepare the hotel/casino-specific market and financial analyses for their appraisals. Mr. Tyson's consulting experience encompasses assignments touching on many aspects of the gaming industry, with the following areas of specialization:

- Economic feasibility studies, including site and area analyses, market analyses, financial projections and return on investment analyses;
- Acquisition/disposition analyses;
- Economic valuation analyses (income approaches to value);
- Operational analyses;
- License application assistance and analyses;
- Litigation support analyses and testimony;
- Property tax appeals;
- Impact analyses; and
- Strategic plans.

Mr. Tyson's clients, for both domestic and international gaming-related assignments, have included Harrah's, Holiday Inns, Inc., Bass plc, Resorts International, The Trump Organization, Bally Manufacturing, Hyatt Hotels & Resorts, The Claridge, Tropicana (Aztar), Caesar's of New Jersey, Boyd Gaming, BLB Investors/Waterford Gaming, Millennium Gaming, Chance Enterprises, High Penn Gaming (Sugar House), Valley Forge Entertainment, the Oneida Tribe of Wisconsin, the Lytton Band of Pomo Indians, Del Webb Hotels, Playboy Enterprises and Americana Hotels. He has also performed engagements for gaming-project developers and numerous legal and other professional firms representing gaming industry clients.

He has performed gaming-related engagements in New Jersey, Nevada, Connecticut, New York, Pennsylvania, Mississippi, Arkansas, California, Colorado, Kansas, Oklahoma and Michigan in the United States and internationally in Canada (Niagara Falls), the Caribbean (Puerto Rico, Aruba, St. Thomas, St. Croix), Central America (Panama), South America (Argentina, Chile), the Mediterranean (Greece) and the Far East (Korea). He has testified before gaming boards and commissions in New Jersey, Pennsylvania and Kansas.

PETER R. TYSON

Qualifications in Consulting to the Gaming Industry

(continued)

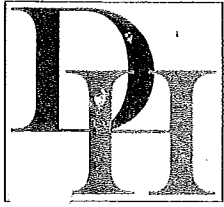
Mr. Tyson was responsible for gaming impact studies prepared for groups interested in gaming legalization in the Catskill Mountain Region of New York State and the Pocono Mountain Region of Pennsylvania. He was also responsible for a major gaming impact study prepared for the State of Connecticut and a gaming location comparative analysis in Niagara Falls, Ontario.

Mr. Tyson has been quoted in industry trade publications and national and local newspapers. He was a speaker or panelist at three "Annual Gaming Conferences" sponsored by Laventhol & Horwath and at three seminars conducted by the Public Gaming Research Institute. He has also spoken frequently to professional organizations, educational institutions and industry executives on subject matters relating to the lodging, casino and restaurant segments of the hospitality industry. He has lectured at Cornell, Delaware, Temple, Drexel, Widener and Villanova Universities and St. Joseph's College on various hotel and gaming topics.

Mr. Tyson received his B.S. degree from the School of Hotel Administration at Cornell University in 1968 and took additional courses in accounting and finance at the University of Miami (Florida). He was a Certified Public Accountant licensed in Pennsylvania and Florida from 1974 through 1990.

Mr. Tyson is a member of the International Society of Hospitality Consultants, a worldwide elected body of consultants (currently totaling some 210 consultants) with established hospitality credentials and reputations, the Greater Philadelphia Hotel Association and the Cornell Society of Hotelmen. At various times, Mr. Tyson was a Director of the Board of the Pennsylvania Travel Council and a member of the Casino-Hotel Committee of the American Hotel & Motel Association.

For 10 years, Mr. Tyson was a member of the Board of Directors of Lodgian, Inc., one of the largest hotel owner-operators in the United States, and served on the Company's Audit Committee and chaired its Executive Compensation Committee. Lodgian, at its peak, owned and operated some 120 hotels located throughout the United States and Canada.



September 28, 2010

Via Electronic Mail & Federal Express Standard Overnight

Susan Hensel, Esquire
Director of Licensing
Pennsylvania Gaming Control Board
303 Walnut Street
Verizon Tower, 5th Floor
Harrisburg, PA 17101

**RE: Category 3 Slot Machine License Application
Mason-Dixon Resorts, L.P.
Docket Number: 46549
Promises and Commitments**

Dear Director Hensel:

As you are aware, this firm represents Mason-Dixon Resorts, LP, d/b/a Mason-Dixon Resort & Casino ("Mason-Dixon"), in connection with its Category 3 License Application currently pending before the Pennsylvania Gaming Control Board ("PGCB"). In response to your correspondence dated September 15, 2010, below please find a description of the promises and commitments which Mason-Dixon has made "to any government agency, municipality, municipal authority, civil organization other type of public or private entity..." In addition, I have attached supporting documentation which further verifies the promises and commitments made by Mason-Dixon. The attached documentation had previously been submitted to the PGCB as part of Mason-Dixon's Category 3 Slot Machine License application and supplements thereto.

1. Memorandum of Understanding with Cumberland Township

(Attached hereto as Exhibit "A")

On April 5, 2010, Mason-Dixon and Cumberland Township, the host community for the proposed licensed gaming facility, entered into a Memorandum of Understanding ("MOU") pursuant to which Mason-Dixon formally committed to the following:

- to provide the Township on an annual basis the difference between the 2% local share tax and \$1 million in order to guarantee that the Township's local share of gaming revenues generated at Mason-Dixon's licensed facility is never less than \$1 million on an annual basis;

Susan Hensel, Esquire

Page 2 of 4

September 28, 2010

- to establish two scholarship funds in the amount of \$2,500.00 each, which will be awarded on an annual basis to: (1) one graduating high school senior residing in Cumberland Township attending any post-high school accredited educational program; and (2) one adult over the age of 21 returning to school at Harrisburg Area Community College, Cumberland Township Campus;
- to pay for certain public improvements, including traffic improvements, in accordance with the applicable Township's Act 209 requirements and/or applicable ordinances;
- to pay for any and all professional fees reasonably incurred by the Township, including administrative, legal and engineering, which are related to the project; and
- to provide, without charge, any and all easements and/or rights of way requested by the Township, as long as such easements and/or rights of way do not unreasonably interfere with Mason-Dixon's use of the property.

The commitments made by Mason-Dixon pursuant to this MOU with Cumberland Township are legally binding; but contingent upon the issuance of a non-appealable Category 3 Slot Machine License to Mason-Dixon by the PGCB. If Mason-Dixon is not issued a Category 3 license by December 31, 2011, then the parties shall have the right to declare the MOU "null and void".

2. Agreement with Adams County

(Attached hereto as Exhibit "B")

On July 28, 2010, Mason-Dixon and the Adams County Board of Commissioners entered into an agreement pursuant to which Mason-Dixon formally committed to the following:

- to provide the County on an annual basis the difference between the 2% local share tax and \$1 million in order to guarantee that the County's local share of gaming revenues generated at Mason-Dixon's licensed facility is never less than \$1 million on an annual basis; and
- to make an annual donation to the Adams County Volunteer Emergency Services Association beginning in Mason-Dixon's first full year of operation in the amount of \$10,000.00, and thereafter for a period of 9 additional years at \$10,000.00 per year, for a total donation of \$100,000.00 over the 10-year period.

The commitments made by Mason-Dixon pursuant to this Agreement with Adams County are legally binding; but contingent upon the issuance of a non-appealable Category 3 Slot Machine License to Mason-Dixon by the PGCB. If Mason-Dixon is not issued a Category 3 license by December 31, 2011, the parties shall have the right to declare the Agreement "null and void".

3. Agreement with Gettysburg Tours

As part of its efforts to enhance the heritage tourism in Adams County, Mason-Dixon has agreed to permit Gettysburg Tours to place a kiosk at the Category 3 licensed facility and to actively promote Gettysburg Tours' services to the guests of its resort. Mr. Kenneth J. Rohrbaugh of Gettysburg Tours signed an endorsement letter dated March 19, 2010 which authorized Mason-Dixon to utilize Gettysburg Tours in the promotion of Mason-Dixon Resort & Casino. A copy of the endorsement letter and press release describing this program are attached hereto as Exhibit "C".

4. "Mason-Dixon Pass" Program

On March 30, 2010, Mason-Dixon unveiled its "Mason-Dixon Pass" program which will actively promote other tourist destinations to guests of Mason-Dixon Resort & Casino. The two inaugural members of this program are Ski Liberty Mountain Resort and The Links at Gettysburg. Mr. Eric Flynn of Liberty Mountain Resort and Mr. Richard A. Klein of The Links at Gettysburg signed endorsement letters which authorized Mason-Dixon to utilize the names of their businesses in the promotion of Mason-Dixon Resort & Casino. A copy of the endorsement letters and the press release describing this program are attached hereto as Exhibit "D".

5. "Hire Adams First!" Program

On February 1, 2010, Mason-Dixon unveiled its "Hire Adams First!" program, which will give Adams County residents first preference in hiring for all jobs created at the proposed Category 3 licensed facility. This program is more fully-described in the documents attached hereto as Exhibit "E". Mason-Dixon has not executed any document which would legally bind it to carry out this program; however, Mason-Dixon is committed to the implementation of this program upon the issuance of a non-appealable Category 3 Slot Machine License by the PGCB.

Susan Hensel, Esquire
Page 4 of 4
September 28, 2010

6. "Buy Adams!" Program

On January 25, 2010, Mason-Dixon launched its "Buy Adams!" program, which will give Adams County businesses the first opportunity to provide products and services to the proposed Category 3 licensed facility. This program is more fully-described in the documents attached hereto as Exhibit "F". Mason-Dixon has not executed any document which would legally bind it to carry out this program; however, Mason-Dixon is committed to the implementation of this program upon the issuance of a non-appealable Category 3 Slot Machine License by the PGCB.

Upon review of this information, please feel free to contact me with any questions you may have regarding this applicant and the above-described promises and commitments. Should any additional commitments or promises be made by Mason-Dixon, we will promptly advise you of same. Kindly time-stamp and complete the Certificate of Service attached hereto and return it in the enclosed self-addressed envelope.

Very truly yours,

COPY

Kevin C. Hayes

KCH/msb
Enclosures

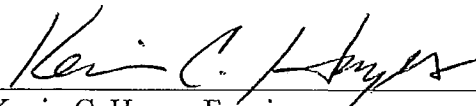
CC: Stephen D. Schrier, Esquire (via electronic and first class mail);
Sean Hannon, (via electronic mail w/out encl.)

CERTIFICATE OF SERVICE

I, **KEVIN C. HAYES**, hereby affirm that on this 28th day of September 2010, I did cause, to be delivered by way of electronic mail and Federal Express Standard Overnight mail correspondence and attachments regarding the Promises and Commitments which Mason-Dixon Resorts, LP has made "to any government agency, municipality, municipal authority, civil organization other type of public or private entity..." to:

Susan Hensel, Esquire
Director of Licensing
Pennsylvania Gaming Control Board
303 Walnut Street
Verizon Tower, 5th Floor
Harrisburg, PA 17106
shenseljar@state.pa.us

The information contained in this Certificate of Service is true and correct to the best of my knowledge, information and belief.


Kevin C. Hayes, Esquire
DOHERTY HAYES, LLC
1000 Bank Towers
321 Spruce Street
Scranton, PA 18503
(570) 346-7651

Receipt Acknowledged By:

By: Susan Hensel, Esquire
PENNSYLVANIA GAMING CONTROL BOARD
Bureau of Licensing

Date: _____

MEMORANDUM OF UNDERSTANDING

THIS AGREEMENT, is hereby entered into this 5th day of April, 2010, by and between the **TOWNSHIP OF CUMBERLAND**, by and through its Board of Supervisors, a body existing by virtue of the laws of the Commonwealth of Pennsylvania, with its principal office at 1370 Fairfield Road, Gettysburg, Adam County, Pennsylvania 17325 (hereinafter referred to as "TOWNSHIP") and **MASON-DIXON RESORTS, LP**, a Pennsylvania limited partnership, with an address of AA Agent Services, LLC, Dauphin County, Pennsylvania (hereinafter referred to as "MASON -DIXON").

WITNESSETH:

WHEREAS, MASON-DIXON has an equitable ownership in certain lands in Cumberland Township evidenced by a deed located at Deed Book Vol. 0298 and Page 0819 in the Adams County Recorder of Deeds Office, (the "Property"), which Property is situated in the Township of Cumberland, Adams County, Pennsylvania; and

WHEREAS, MASON-DIXON intends to submit a land development plan (hereinafter "LDP") for the Property as a licensed Category 3 gaming facility as the term land development is defined in the Pennsylvania Municipalities Planning Code and the TOWNSHIP's Subdivision and Land Development Ordinance (hereinafter known as "PROJECT"); and

WHEREAS, the Project shall entail land development such as certain public and/or private improvements such as roads and/or streets, parking facilities, stormwater management facilities, public wastewater facilities, traffic related improvements, and certain other improvements and/or structures (hereinafter "IMPROVEMENTS") by MASON-DIXON within the TOWNSHIP; and

WHEREAS, the MASON-DIXON shall be required to execute an agreement (hereinafter "Developer's Agreement") with the TOWNSHIP delineating the rights and responsibilities of the parties in regard to the IMPROVEMENTS and/or Project through and

after the construction of the Project and the execution of a Developer's Agreement acceptable to the TOWNSHIP would be one of the conditions of any approval of the LDP, in the event that such approval would be granted by the TOWNSHIP; and

WHEREAS, MASON -DIXON may be in need of public sewer capacity from the TOWNSHIP's Sewer Authority, in such an instance, MASON-DIXON shall abandon its wastewater package treatment plant presently serving the Property, and the parties hereto recognize the need to ultimately delineate MASON-DIXON's duties and obligations for the reservation of capacity, the construction and connection of a new treatment facility as well as a pump station, and any and all collection and/or conveyance systems related thereto, the potential need for a pretreatment plant and the acceptance of wastewater in accordance with the applicable provisions of the Municipalities Planning Code, the Ordinance and Rules and Regulations of the TOWNSHIP and/or Township Sewer Authority regarding wastewater, and any other applicable laws and/or regulations; and

WHEREAS, the construction of the Project may require the construction of certain public improvements involving traffic improvements and/or other public improvements and traffic impact fees shall be required to be paid by MASON-DIXON in accordance with the applicable TOWNSHIP's Act 209 requirements and/or applicable ordinances; and

NOW THEREFORE, in consideration of the above recitals which are incorporated by reference herein and of the mutual covenants, obligations, undertakings and agreements contained herein, and intending to be legally bound hereby, the parties do mutually agree as follows:

**PART A – MASON -DIXON HOST MUNICIPALITY PAYMENTS AND/OR
VOLUNTARY CONTRIBUTIONS**

1. RECITALS

The above recitals are incorporated herein as terms of this Agreement.

2. MASON-DIXON APPLICATION

MASON-DIXON will apply to the Pennsylvania Gaming Control Board for a Category 3 Gaming License ("License") to operate a licensed gaming facility on the Property in Cumberland Township, Pennsylvania. MASON-DIXON has requested and the TOWNSHIP has agreed to support MASON-DIXON's application, subject to MASON-DIXON's execution of this Agreement and the terms and conditions as stated therein as well as MASON-DIXON's commitment to supply certain plans and documentation relative to the development of the Property as a Category 3 gaming facility and to make certain improvements and contributions for the betterment of the TOWNSHIP, its residents and taxpayers. MASON-DIXON estimates that its proposed gaming facility will create approximately 500 new quality jobs for those living in the surrounding community and the Cumberland Township Board of Supervisors believes that the creation of these new jobs as well as other improvements and/or benefits as set forth herein will be a significant benefit to the local economy and to the TOWNSHIP.

3. LOCAL SHARE GUARANTEED MINIMUM PAYMENT

MASON-DIXON agrees to compensate the TOWNSHIP on a full calendar year basis for any difference between the 2% local share tax and One Million Dollars (\$1,000,000.00) to guaranty that the TOWNSHIP's local share is not less than One Million Dollar (\$ 1,000,000.00) per every year, which share shall be paid on or before February 1st of every calendar year. The intent of this paragraph is to guaranty payment to the TOWNSHIP of no less than One Million Dollars (\$1,000,000.00) per year for use

by the TOWNSHIP in any manner or for any purpose in the TOWNSHIP's sole discretion.

4. PLAN SUBMITTALS AND DEVELOPMENT AGREEMENT

MASON-DIXON will provide to the TOWNSHIP a detailed site plan and a land development plan which will include, among other required items, the following: new and existing buildings, existing and intended use of each building, building renderings, building heights and dimensions, open space and occupied space calculations, parking layout and count of all spaces, interior vehicular circulation, points of vehicular ingress and egress, pedestrian circulation, a landscaping plan with details on numbers and types of all plantings, a stormwater management and facilities plan, water and sewer requirements plans, calculations of pervious and impervious cover, a detailed lighting plan, a detailed signage plan which plans are subject to the review and approval of the TOWNSHIP. MASON-DIXON agrees to enter into a Developer's Agreement with the TOWNSHIP, acceptable to the TOWNSHIP, addressing all items as deemed necessary by the TOWNSHIP prior to any action by the TOWNSHIP on said plans and, in any event, before any construction/building permit and/or occupancy permit is issued. MASON-DIXON hereby agrees to fully comply with any and all ordinances and/or the Developer's Agreement at all times as consideration for the TOWNSHIP's municipal support of its application to the Gaming Control Board. MASON-DIXON shall apply for building permits and pay all fees related thereto and shall fully comply with all applicable building codes.

5. COSTS INCURRED

MASON-DIXON shall pay any and all professional fees reasonably incurred by the TOWNSHIP, including, administration, legal and engineering fees directly related to the Project as set forth more fully herein.

6. SCHOLARSHIP FUNDS

MASON-DIXON agrees to establish two scholarship funds in the amount of \$2500 each, funded yearly, through the Dollars for Scholars Program, Gettysburg Chapter, or any other program approved by the TOWNSHIP, as follows:

- (1) The Mason-Dixon Scholarship for Cumberland Township (for a graduating High School Senior residing in Cumberland Township attending any post High School accredited educational program).
- (2) The Mason-Dixon Scholarship for Harrisburg Area Community College-Cumberland Township campus (for a Township resident adult over 21 years of age returning to school at Harrisburg Area Community College, Cumberland campus).

7. PHASED CONSTRUCTION

MASON-DIXON and the TOWNSHIP acknowledge that the gaming facility and other site improvements will be constructed in phases and that each and every phase of construction is and will be subject to all relevant TOWNSHIP ordinances and review processes at the time said phases are submitted to the TOWNSHIP for review.

8. DOCUMENTS

Upon request, MASON-DIXON will provide without cost to the TOWNSHIP copies of any documents provided to the Pennsylvania Gaming Control Board related to land development site improvements. MASON-DIXON will provide without cost to the TOWNSHIP a copy of the local impact report as provided to the Pennsylvania Gaming Control Board.

9. TOWNSHIP'S MUNICIPAL SUPPORT

A. The TOWNSHIP will appear at future hearings of the Pennsylvania Gaming Control Board in support of MASON-DIXON's application for a Category 3 License and will take reasonable steps to support that application.

B. The TOWNSHIP agrees that pursuant to the TOWNSHIP's Zoning Ordinance, codified as Chapter 27 in its code of ordinances, as amended, permits licensed gaming facilities as a by right use as of the date of this Agreement under the provisions of the TOWNSHIP's "MX" District, that the gaming use in and of itself would not require a hearing before the Zoning Hearing Board. The TOWNSHIP notes that nothing in this Memorandum of Understanding is intended to relieve MASON-DIXON from complying with relevant provisions of the zoning and land development ordinances, and/or any other TOWNSHIP ordinance, and at the appropriate time, the filing of requisite building permit plans and applications as well as the satisfaction of other applicable TOWNSHIP ordinances including payment of any and all required fees, costs, and/or expenses.

10. LICENSING CONTINGENCY

A. It is expressly understood between MASON-DIXON and the TOWNSHIP that the commitments contained in this Memorandum of Understanding are, with the exception of the terms and conditions as otherwise stated herein, expressly contingent upon the issuance of a non-appealable Category 3 License to MASON-DIXON by the Pennsylvania Gaming Control Board. The parties agree that the TOWNSHIP's municipal support of MASON-DIXON's application is contingent upon MASON-DIXON's full and complete compliance with any and all terms and conditions of this Agreement and/or any term and/or condition as set forth in other Agreements which may be entered into in the future.

B. In the event that MASON-DIXON receives a Category 3 license, all other terms and conditions shall be fully effective. In the event that MASON-DIXON does not receive a Category 3 license on or before December 31,

2011, the TOWNSHIP shall retain the right to declare this Memorandum of Understanding null and void and without any further legal effect and MASON-DIXON agrees that it shall not have any legal recourse against nor bring any legal proceeding against that TOWNSHIP for any matter involving and/or related to this Agreement.

11. TERM

The term of this Memorandum of Understanding shall be from the date of this Memorandum above first noted and shall continue so long as a Category 3 Gaming Facility is in operation at the Property so long as MASON-DIXON is not in default under the terms of this Agreement or a Developer's Agreement which may be entered into in the future as set forth herein. This Agreement shall run with the land and shall be binding upon any and all successors and/or assigns as provided herein.

12. AMENDMENT

This Memorandum of Understanding, or any part or paragraph hereof, may not be modified or amended except by a written instrument executed by the parties. The parties recognize that the extent of the direct and indirect impact of the proposed gaming facility on the TOWNSHIP is not and cannot be known as of the date of this Memorandum of Understanding, and the parties agree to explore in good faith any amendments or modifications to this Memorandum of Understanding that the TOWNSHIP and MASON-DIXON agree deems warranted in the future as those potential impacts become known. In the event that MASON-DIXON requests the TOWNSHIP to consent to an assignment of this Agreement as set forth herein, the TOWNSHIP reserves the right to negotiate the terms and conditions of this Agreement as set forth more fully below.

13. COMPLETE AGREEMENT

The parties agree that the terms and conditions of this Memorandum of Understanding constitute the full and complete understandings and agreements of the

parties, and that there are no oral or written understandings, agreements, promises, or inducements made or offered other than those set forth in this Memorandum.

PART B – MISCELLANEOUS

14. COMPLIANCE

This Agreement does not replace or eliminate any other fees and/or charges that the TOWNSHIP may lawfully charge MASON-DIXON under the laws of the Commonwealth of Pennsylvania, including but not limited to the TOWNSHIP's Subdivision and Land Development Ordinance, or its Pretreatment Ordinance and its Authority's Regulations, or any other Ordinance or Regulation of the TOWNSHIP.

15. ESCROW AND UP FRONT PAYMENT

MASON-DIXON shall be responsible for legal costs, engineering costs and administrative costs incurred prior to this Agreement, involved in the negotiations of this Agreement, and/or by the TOWNSHIP in furtherance of the terms of this Agreement, including but not limited to the review of wastewater facility design, review of Land Development Plans, review of flow data in connection with a request for SEWER CAPACITY, and any other cost or expense related to any subject of this Agreement, including costs and expenses incurred prior to the execution of this Agreement and in connection with the preparation of this Agreement. Upon execution of this Agreement, MASON-DIXON agrees to pay to the TOWNSHIP the amount of Twenty-Five Thousand Dollars (\$25,000.00) for the TOWNSHIP's aforementioned costs and expenses incurred up until and including March 31, 2010. In addition, MASON-DIXON agrees to pay the TOWNSHIP upon execution of this Agreement an additional Ten Thousand Dollars (\$10,000.00) for the TOWNSHIP's future legal costs, engineering costs, and administrative costs. Such money will be held in escrow, and will be used by the TOWNSHIP as such fees are incurred by the TOWNSHIP. Any time the balance in the escrow account falls below \$3,000.00 the TOWNSHIP will notify MASON-DIXON

and MASON-DIXON shall immediately replenish the escrow account to \$10,000.00. Upon completion of the full build out of the Project, any balance remaining shall be refunded in full to MASON-DIXON.

16. INTEREST CHARGES

MASON-DIXON agrees and understands that a penalty of one and one-half percent (1.5%) per month shall be added thirty (30) days after the date upon which any payment due and owing under the terms of this Agreement or any future Developer's Agreement is due and remains unpaid. MASON-DIXON further understands that the TOWNSHIP shall not issue any applicable permit where a payment is due and has remained unpaid for thirty (30) days and further the TOWNSHIP may issue a stop work order until such amounts are paid in full.

17. DELAY IN PAYMENTS

MASON-DIXON understands and agrees that should any payment owed to the TOWNSHIP be due and remain unpaid for a period of over ninety (90) days, the TOWNSHIP may enter a lien pursuant to law against the real estate of MASON-DIXON for which such charges were unpaid, or take any action available at law or in equity including complaints and/or requirements for investigation to the Gaming Board and/or withdrawal of municipal support for the Project.

18. USE OF PROPERTY

MASON-DIXON agrees and understands that terms of this Agreement are conditioned upon MASON-DIXON's use of the land within its Project being and remaining that set forth in the Land Development Plans as shall be presented to the TOWNSHIP. Use of the Property in any manner other than that set forth in the aforesaid Plans shall be considered a default under this Agreement. Should MASON-DIXON, its representatives, successors or assigns, wish to alter the use of the Property from that set

forth in the Plans presented to the TOWNSHIP, the request shall be processed as would any request to establish a new use of a property.

19. REMEDIES FOR DEFAULT

Should MASON-DIXON default on any of its responsibilities and obligations set forth in any part of this Agreement, including, but not limited to, timely payment of all fees and costs required by the TOWNSHIP in any part of this Agreement, the TOWNSHIP may pursue, at its discretion, any and all remedies set forth in this Agreement, and all other rights, claims, actions or cause of action available to the TOWNSHIP under law or equity.

20. CONTRACTOR PROVISIONS

MASON-DIXON shall be required, upon the request of the TOWNSHIP, to include the below Paragraph in all agreements or contracts with its contractor, contractors, or sub-contractors.

During the course of construction, all materials, workmanship, compliance with the approved Land Development Plans and Treatment Facility Plans shall be subject to the inspection of the TOWNSHIP or the TOWNSHIP Engineer or an authorized agent of the TOWNSHIP. The TOWNSHIP and Engineer will not perform or be responsible for any hiring, firing, supervision, superintendence, direction of personnel, use of equipment, construction site safety, safety programs or the direction of the manner or method of construction employed by the contractors, their sub-contractors, agents, servants or employees; nor will the TOWNSHIP or Engineer be liable for any matters or claims arising therefrom. The TOWNSHIP and Engineer shall be under no obligation or liability arising from the work of or injuries to the

contractors, their subcontractors, agents, servants or employees on said Project.

21. REVOCATION OF PLAN APPROVALS

In the event that the construction of the Project is found by the TOWNSHIP or the TOWNSHIP Engineer to be in noncompliance with the previously described plans, the TOWNSHIP will revoke its approval to proceed with construction. MASON-DIXON hereby agrees to immediately cease construction operations and/or correct the noncompliant construction. The approval to proceed with construction will be reissued only upon receipt of written procedures from MASON-DIXON to prevent future noncompliant occurrences. MASON-DIXON shall also be responsible for compliance with inspection requirements of applicable governmental agencies, utility companies and property owners in connection with the construction.

22. EASEMENTS

MASON-DIXON shall provide without charge and/or cost to the TOWNSHIP and/or the TOWNSHIP's Authority any and all easements and/or rights of ways requested by the TOWNSHIP and/or TOWNSHIP's Authority for water, wastewater, electric, fiber optics, cable, and/or gas utilities across the Property. The locations of the easements and/or rights of way shall not unreasonably interfere with MASON-DIXON's intended use of the Property and shall be mutually agreed upon.

23. RECORD DRAWINGS

Upon completion of each phase of the Project as well as the full build out of the Project, but not longer than sixty (60) days after completion, MASON-DIXON shall cause to be prepared and furnished to the TOWNSHIP, at the expense of MASON-DIXON, RECORD DRAWINGS of the completed Project. RECORD DRAWINGS shall be the same scale and plan size as standard to the TOWNSHIP for Land Development Plans.

24. FULL COMPLIANCE WITH REGULATIONS

Nothing contained herein will relieve MASON-DIXON from complying with any applicable requirements of any federal or state statute or regulation or ordinances of the TOWNSHIP, as amended from time to time. MASON-DIXON specifically agrees to comply with all TOWNSHIP ordinances, rules, regulations, specifications, and rates presently in effect and as amended or supplemented from time to time without notice to MASON-DIXON.

25. ASSIGNMENT AND ONGOING RESPONSIBILITY

This Agreement may not be assigned by either party without the prior written consent of the other, except that the TOWNSHIP without the consent of MASON-DIXON, may assign its rights, but not its obligations, under this Agreement, to the trustee under any indenture and supplements thereto securing such TOWNSHIP bonds and/or financial instruments as may be outstanding from time to time. In the event that MASON-DIXON intends to assign this Agreement, consent shall be required by the TOWNSHIP. Such consent shall not be withheld unreasonably. In the event of an assignment consented to by the TOWNSHIP, the TOWNSHIP shall have the right to require additional guarantees, financial security, and/or other terms and conditions as the TOWNSHIP deems appropriate regarding the same at that time.

26. NOTICES

All notices required under this Agreement shall be sent to an address provided to the TOWNSHIP by MASON-DIXON, and shall be deemed to have been given when mailed by certified mail or delivered by hand.

27. GOVERNING LAW

The construction of this Agreement and the rights and remedies of the parties hereto, shall be governed by the laws of the Commonwealth of Pennsylvania and any legal and/or equitable action taken involving this Agreement shall be filed with the Court of Common Pleas of Adams County.

28. CORPORATE OBLIGATIONS

Unless otherwise provided herein, no recourse on any obligation, covenant, or agreement contained herein shall be had against any past, present, or future member, officer, employee, engineer or counsel of the TOWNSHIP. It is expressly agreed and understood that this Agreement and the obligations hereunder are solely corporate obligations, and that no personal liability whatsoever shall attach to or shall be incurred by any such members, officers, or employees of the TOWNSHIP by reason of any of the obligations, covenants, or agreements contained in this Agreement.

29. NO ORAL MODIFICATIONS

No modification, amendment, change or addition to this Agreement shall be binding on the parties unless reduced in writing and signed by their authorized representatives.

30. ENTIRE UNDERSTANDING

This Agreement contains the entire understanding between the parties and supersedes any prior written or oral agreements between the parties respecting the within subject matter. There are no representations, agreements, arrangements or understandings between the parties hereto relating to the subject of this Agreement which are not fully expressed herein.

31. SEVERABILITY

If any terms or provisions or portions thereof of this Agreement or application thereof become invalid, the remainder of said term or provision and/or portion thereof of

this Agreement shall not be affected thereby; and, to this end, the parties hereto agree that the terms and provisions of this Agreement are severable. In the event that this Agreement or any matter or issue contemplated by and/or addressed by this Agreement or any matter relating to zoning, subdivision and/or land development, or any other TOWNSHIP action shall be challenged by any third party, MASON-DIXON hereby agrees to defend said action and shall be responsible to also pay any and all costs, expenses, attorneys fees from counsel chosen by the TOWNSHIP to represent the TOWNSHIP, expert witness fees, and similar costs and/or expenses incurred by the TOWNSHIP in defending or by virtue of being named in said action(s).

32. INTERPRETATION

The parties agree that this Agreement is the result of negotiation by the parties, each of whom was represented by counsel, and thus, this Agreement shall not be construed against the TOWNSHIP herein. Headings in this Agreement are for ease of reference only and shall not be construed to have any specific inference or meaning in the interpretation hereof.

33. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

34. RECORDATION

This Agreement or a Memorandum of this Agreement may be recorded by the TOWNSHIP if deemed necessary by the TOWNSHIP.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, and being fully authorized to execute said Agreement, have caused these present to be executed by their duly authorized officials.

CUMBERLAND TOWNSHIP

Care C. Menigman
Secretary

David P. Wayte
Chairman

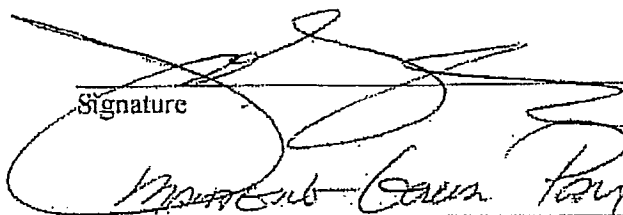
ATTEST:

MASON-DIXON

BY: [Signature]
AS: MANAGING GENERAL COUNSEL
Title

MASON-DIXON VERIFICATION

I, Joseph A. Lanza Jr. being the undersigned, hereby verify that I am duly authorized to sign on behalf of MASON-DIXON, and all information contained in this Memorandum of Understanding is true and accurate to the best of my knowledge.


Signature
Manager - General Partner
Title

AGREEMENT

THIS AGREEMENT, is hereby entered into this 28th day of July, 2010, by and between the **COUNTY OF ADAMS**, a duly incorporated political subdivision and Sixth Class County of the Commonwealth of Pennsylvania, with offices and a mailing address located at 111-117 Baltimore Street, Gettysburg, Adams County, Pennsylvania 17325, by its duly elected and incumbent Board of County Commissioners, George A. Weikert, R. Glenn Snyder and Lisa A. Moreno (hereinafter referred to as the "**COUNTY**") and **MASON-DIXON RESORTS, LP**, a Pennsylvania limited partnership, with an address of AA Agent Services, LLC, Dauphin County, Pennsylvania (hereinafter referred to as "**MASON -DIXON**"). The **COUNTY** and **MASON-DIXON** are also referred to herein, individually, as a "**Party**", or, together, as the "**Parties**".

WITNESSETH:

WHEREAS, MASON-DIXON has an equitable ownership in certain lands (the "**Property**") located in the COUNTY evidenced by a deed recorded in Deed Book 0298 at Page 0819 in the Adams County Recorder of Deeds Office, which Property is situated in Cumberland Township, Adams County, Pennsylvania; and

WHEREAS, MASON-DIXON intends to submit a land development plan (hereinafter the "**LDP**") for the Property as a licensed Category 3 gaming facility, as the term "land development" is defined in the Pennsylvania Municipalities Planning Code; and

WHEREAS, the COUNTY wishes to support the gaming facility because of the creation of new jobs as well as other improvements and/or benefits as set forth herein, which will be a significant benefit to the COUNTY and its residents and taxpayers.

NOW THEREFORE, in consideration of the above recitals which are incorporated by reference herein, and of the mutual covenants, obligations, undertakings and agreements contained herein, the receipt and sufficiency of which consideration are hereby mutually acknowledged, and intending to be legally bound hereby, the Parties do mutually agree as follows:

**PART A – MASON -DIXON HOST MUNICIPALITY PAYMENTS AND/OR
VOLUNTARY CONTRIBUTIONS**

1. RECITALS

The above recitals are incorporated herein as terms of this Agreement.

2. MASON-DIXON APPLICATION

MASON-DIXON will apply to the Pennsylvania Gaming Control Board for a Category 3 Gaming License (the “License”) to operate a licensed gaming facility on the Property in Cumberland Township, Adams County, Pennsylvania. MASON-DIXON has requested and the COUNTY has agreed to support MASON-DIXON’s application, subject to MASON-DIXON’s execution of this Agreement and the terms and conditions as stated herein and documentation relative to the development of the Property as a Category 3 gaming facility and to make certain improvements and contributions for the betterment of the COUNTY, its residents and taxpayers. MASON-DIXON estimates that its proposed gaming facility will create approximately 500 new quality jobs for those living in the surrounding community and the Adams County Commissioners believe that the creation of these new jobs as well as other improvements and/or benefits as set forth herein will be a significant benefit to the local economy and to the COUNTY.

3. LOCAL SHARE GUARANTEED MINIMUM PAYMENT

MASON-DIXON agrees to compensate the COUNTY on a full calendar year basis for any difference between the required two percent (2%) local share tax and One Million Dollars (\$1,000,000.00), in order to guarantee that the COUNTY’S local share is not less than One Million Dollar (\$ 1,000,000.00) for and during each and every year, which share shall be paid on or before February 1st of each and every calendar year. The intent of this paragraph is to guarantee payment to the COUNTY of no less than One Million Dollars (\$1,000,000.00) per year for use by the COUNTY in any manner or for any purpose, in the COUNTY’S sole discretion.

4. PLAN SUBMITTALS AND DEVELOPMENT AGREEMENT

MASON-DIXON will provide to the COUNTY, via Cumberland Township, a detailed site plan and a land development plan which will include, among other required items, the following: new and existing buildings, existing and intended use of each building, building renderings, building heights and dimensions, open space and occupied space calculations, parking layout and count of all spaces, interior vehicular circulation, points of vehicular ingress and egress, pedestrian circulation, a landscaping plan with details on numbers and types of all plantings, a stormwater management and facilities plan, water and sewer requirements plans, calculations of pervious and impervious cover, a detailed lighting plan, and a detailed signage plan, which plans are subject to review and comment by the COUNTY'S Office of Planning and Development.

5. DONATION TO ADAMS COUNTY VOLUNTEER EMERGENCY SERVICES ASSOCIATION (ACVESA)

MASON-DIXON agrees to make an annual donation to ACVESA beginning in its first full calendar year of operation in the amount of Ten Thousand (\$10,000.00) Dollars, and thereafter for a period of nine (9) additional years at Ten Thousand (\$10,000.00) Dollars per year, for a total donation of One Hundred Thousand (\$100,000.00) Dollars over the ten (10) year period. The obligation of MASON-DIXON to make such donation to ACVESA shall be fully enforceable by the COUNTY on ACVESA's behalf, and ACVESA shall be deemed to be an intended third-party beneficiary under the present Agreement relative to such obligation on the part of MASON-DIXON.

6. DOCUMENTS

Upon request, MASON-DIXON will provide without cost to the COUNTY copies of any documents provided to the Pennsylvania Gaming Control Board related to land development site improvements. MASON-DIXON will provide without cost to the

COUNTY a copy of the local impact report as provided to the Pennsylvania Gaming Control Board.

7. COUNTY'S MUNICIPAL SUPPORT

The COUNTY, by its Board of County Commissioners and any other COUNTY officers or representatives designated by said County Commissioners, will appear at future hearings of the Pennsylvania Gaming Control Board in support of MASON-DIXON's application for a Category 3 License and will take reasonable steps to support that application. The COUNTY, by its Board of County Commissioners, shall duly adopt a written Resolution (in the form attached hereto and incorporated herein as **Exhibit "A"**), supporting Mason-Dixon's application as well, for submission as part of the official record at said hearings.

8. LICENSING CONTINGENCY

A. It is expressly understood between MASON-DIXON and the COUNTY that the commitments contained in this Agreement are, with the exception of the terms and conditions as otherwise stated herein, expressly contingent upon the issuance of a non-appealable Category 3 License to MASON-DIXON by the Pennsylvania Gaming Control Board. The Parties agree that the COUNTY'S municipal support of MASON-DIXON'S application is contingent upon MASON-DIXON'S full and complete compliance with any and all terms and conditions of this Agreement and/or any term and/or condition as set forth in other Agreements which may be entered into in the future.

B. In the event that MASON-DIXON receives a Category 3 license, all other terms and conditions set forth herein shall be fully effective. In the event that MASON-DIXON does not receive a Category 3 license on or before December 31, 2011, the COUNTY shall retain the right to declare this Agreement null and void and without any further legal effect, and MASON-DIXON agrees that it shall not have any legal recourse against nor shall it bring any legal proceeding against the COUNTY for any matter involving and/or related to this Agreement.

9. TERM

The term of this Agreement shall be from the date of this Agreement above first noted and shall continue so long as a Category 3 Gaming Facility is in operation in and upon the Property. This Agreement shall run with the land and shall be binding upon any and all successors and/or assigns as provided herein.

10. AMENDMENT

This Agreement, or any part or paragraph hereof, may not be modified or amended except by a written instrument executed by both Parties. The Parties recognize that the extent of the direct and indirect impacts of the proposed gaming facility upon the COUNTY is not and cannot be known as of the date of this Agreement, and the Parties agree to explore in good faith any amendments or modifications to this Agreement that the COUNTY and MASON-DIXON both agree deems warranted in the future as those potential impacts become known. In the event that MASON-DIXON requests the COUNTY to consent to an assignment of this Agreement as set forth herein, the COUNTY reserves the right to renegotiate the terms and conditions of this Agreement as set forth more fully below.

11. COMPLETE AGREEMENT

The Parties agree that the terms and conditions of this Agreement constitute the full and complete understandings and agreements of the Parties, and that there are no oral or written understandings, agreements, promises, or inducements made or offered other than those set forth in this Agreement.

PART B – MISCELLANEOUS

12. COMPLIANCE

This Agreement does not replace or eliminate any other fees and/or charges that the COUNTY may lawfully charge MASON-DIXON under the laws of the Commonwealth of Pennsylvania.

13. DELAY IN PAYMENTS

MASON-DIXON understands and agrees that should any payment owed to the COUNTY hereunder be due and remain unpaid for a period of over ninety (90) days, the COUNTY may enter a lien pursuant to law against the Property for which such charges were unpaid, or take any action available at law or in equity including complaints and/or requirements for investigation to the Gaming Board and/or withdrawal of municipal support for the Project.

14. REMEDIES FOR DEFAULT

Should MASON-DIXON default on any of its responsibilities and obligations set forth in any part of this Agreement, including, but not limited to, timely payment of all fees and costs required by the COUNTY in any part of this Agreement, the COUNTY may pursue, at its discretion, any and all remedies set forth in this Agreement, and all other rights, claims, actions or cause of action available to the COUNTY at law or in equity.

15. FULL COMPLIANCE WITH REGULATIONS

Nothing contained herein will relieve MASON-DIXON from complying with any applicable requirements of any federal or state statute or regulation or ordinances of the COUNTY, as amended from time to time. MASON-DIXON specifically agrees to comply with all COUNTY ordinances, rules, regulations, specifications, and rates presently in effect and as amended or supplemented from time to time without notice to MASON-DIXON.

16. ASSIGNMENT AND ONGOING RESPONSIBILITY

This Agreement may not be assigned by either Party without the prior written consent of the other, except that the COUNTY, without the consent of MASON-DIXON, may assign its rights, but not its obligations, under this Agreement, to the trustee under any indenture and supplements thereto securing such COUNTY bonds and/or financial instruments as may be outstanding from time to time. In the event that MASON-DIXON

desires or intends to assign this Agreement, the prior written consent of the COUNTY shall be required. Such consent shall not be withheld unreasonably. In the event of an assignment consented to by the COUNTY, the COUNTY shall have the right to require additional guarantees, financial security, and/or other terms and conditions as the COUNTY deems appropriate regarding the same at that time.

17. NOTICES

All notices required under this Agreement shall be sent to an address provided to the COUNTY by MASON-DIXON, and shall be deemed to have been given when mailed by USPS-certified mail, commercial overnight mail service, or delivered by hand.

18. GOVERNING LAW

The construction of this Agreement and the rights and remedies of the Parties hereto shall be governed by the laws of the Commonwealth of Pennsylvania and any legal and/or equitable action taken involving this Agreement shall be filed with the Court of Common Pleas of Adams County, Pennsylvania.

19. CORPORATE OBLIGATIONS

Unless otherwise provided herein, no recourse on any obligation, covenant, or agreement contained herein shall be had against any past, present, or future officer, employee, engineer or legal counsel of the COUNTY. It is expressly agreed and understood that this Agreement and the obligations hereunder are solely corporate obligations, and that no personal liability whatsoever shall attach to or shall be incurred by any such officers or employees of the COUNTY by reason of any of the obligations, covenants, or agreements contained in this Agreement.

20. NO ORAL MODIFICATIONS

No modification, amendment, change or addition to this Agreement shall be binding upon the Parties unless reduced in writing and signed by both Parties' duly authorized officers and/or representatives.

21. ENTIRE UNDERSTANDING

This Agreement contains the entire understanding between the Parties and supersedes any prior written or oral agreements between the Parties respecting the within subject matter. There are no representations, agreements, arrangements or understandings between the Parties hereto relating to the subject of this Agreement which are not fully expressed herein.

22. SEVERABILITY

If any terms or provisions or portions thereof of this Agreement or application thereof become invalid, the remainder of said term or provision and/or portion thereof of this Agreement shall not be affected thereby; and, to this end, the Parties hereto agree that the terms and provisions of this Agreement are severable. In the event that this Agreement or any matter or issue contemplated by and/or addressed by this Agreement or any matter relating to zoning, subdivision and/or land development, or any other COUNTY action shall be challenged by any third party, MASON-DIXON hereby agrees to defend said action and shall be responsible to also pay any and all costs, expenses, and attorneys fees from counsel chosen by the COUNTY to represent the COUNTY, expert witness fees, and similar costs and/or expenses incurred by the COUNTY in defending or by virtue of being named in said action(s).

23. INTERPRETATION

The Parties agree that this Agreement is the result of negotiation by the Parties, each of whom was represented by its own independent legal counsel, and thus, this Agreement shall not be construed against either party hereto. Headings in this Agreement are for ease of reference only and shall not be construed to have any specific inference or meaning in the interpretation hereof.

24. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

25. RECORDATION

This Agreement or a Memorandum thereof may be recorded by the COUNTY if deemed necessary by the COUNTY.

IN WITNESS WHEREOF, the Parties hereto, intending to be legally bound hereby, and being fully authorized to execute said Agreement, have caused this Agreement to be executed by their respective, undersigned duly authorized officials.

ATTEST:

COUNTY OF ADAMS

ADAMS COUNTY COMMISSIONERS

By: _____

George A. Weikert, Chairman

By: _____

R. Glenn Snyder, Vice-Chairman

By: _____

Lisa A. Moreno, Commissioner

ATTEST:

MASON-DIXON RESORTS, LP

BY: _____

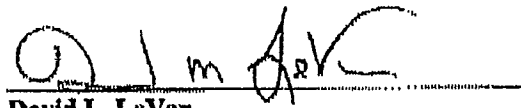
David M. LeVan

As: _____

Title

MASON-DIXON VERIFICATION

I, David M. LeVan, being the undersigned, hereby verify that I am duly authorized to sign on behalf of MASON-DIXON, and all information contained in this Agreement is true and accurate to the best of my knowledge.



David L. LeVan

CHAIRMAN

Title

AUTHORIZATION AND CONSENT AGREEMENT

THIS AGREEMENT is hereby entered into this 28th day of July, 2010, by and between MASON-DIXON RESORTS, LP, a Pennsylvania limited partnership, with an address of AAAgent Services, LLC, Dauphin County, Pennsylvania (hereinafter referred to as "MASON-DIXON") and DAVID M. LeVAN, of 1090 Baltimore Pike, Gettysburg, Pennsylvania 17325 (hereinafter referred to as "LeVAN").

WITNESSETH:

WHEREAS, MASON-DIXON has an equitable ownership in certain lands (the "Property") located in Cumberland Township, Adams County, Pennsylvania, evidenced by a Deed recorded in Deed Book 0298 at Page 0819 in the Adams County, Pennsylvania Recorder of Deeds Office; and

WHEREAS, MASON-DIXON intends to enter into certain agreements to include, but not limited to, an Agreement (the "Agreement") with the County of Adams regarding payments by MASON-DIXON unto the County of Adams in conjunction with MASON-DIXON'S proposed casino project (the "Project") in and upon the Property and the said County's Commissioners' support of the Project, which Agreement is incorporated herein by reference; and

WHEREAS, MASON-DIXON wishes to confer authorization and consent upon LeVAN to execute documents, including, without limitation, the Agreement, on behalf of MASON-DIXON.

NOW THEREFORE, in consideration of the above recitals which are incorporated by reference herein and of the mutual covenants, obligations, undertakings and agreements contained herein, and intending to be legally bound hereby, the parties do mutually agree as follows:

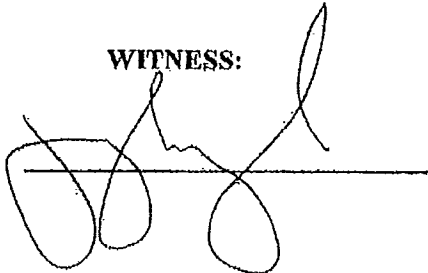
1. The above recitals are incorporated herein as terms of this Agreement.

2. MASON-DIXON hereby confers authorization and consent upon LeVAN the right to act as an agent for and on behalf of MASON-DIXON in the execution of the Agreement with the County of Adams and other related documents.

3. It is understood that LeVAN will act in the best interest of MASON-DIXON.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, and being fully authorized to execute said Agreement, have caused this Agreement to be duly executed the day and year first above written.

WITNESS:



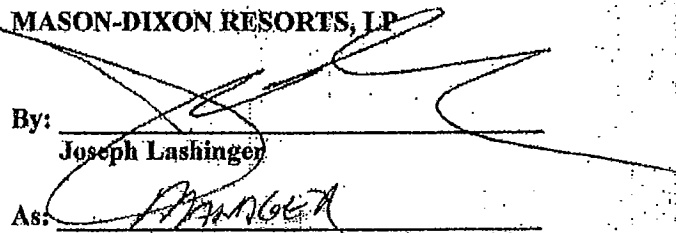
MASON-DIXON RESORTS, LP

By:

Joseph Lashinger

As:

Title:



WITNESS:



David M. LeVan

2. MASON-DIXON hereby confers authorization and consent upon LeVAN the right to act as an agent for and on behalf of MASON-DIXON in the execution of the Agreement with the County of Adams and other related documents.

3. It is understood that LeVAN will act in the best interest of MASON-DIXON.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, and being fully authorized to execute said Agreement, have caused this Agreement to be duly executed the day and year first above written.

WITNESS:

MASON-DIXON RESORTS, LP

By: _____

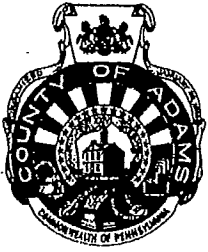
Joseph Lashinger

As: _____

Title:

WITNESS:

David M. LeVan



Office of the Adams County Commissioners

117 Baltimore St., Room 201, Gettysburg, PA 17325-2391

PHONE (717) 337-9820 · FAX (717) 334-2091

Commissioners: George A. Weikert, R. Glenn Snyder, Lisa A. Moreno

Chief Clerk: Paula V. Neiman

Solicitor: John M. Hartzell

Resolution No. 18 of 2010

RESOLUTION OF THE COUNTY OF ADAMS ENDORSING THE MASON-DIXON RESORTS, LP'S PROJECT TO CONSTRUCT A GAMING FACILITY WITHIN THE COUNTY OF ADAMS

WHEREAS, MASON-DIXON has an equitable ownership in certain lands (the "Property") located in the COUNTY, evidenced by a deed recorded in Deed Book 0298 at Page 0819 in the Adams County Recorder of Deeds Office, which Property is situated in the Cumberland Township, Adams County, Pennsylvania; and

WHEREAS, MASON-DIXON intends to submit a land development plan (hereinafter the "LDP") for the Property as a licensed Category 3 gaming facility as the term "land development" is defined in the Pennsylvania Municipalities Planning Code; and

WHEREAS, the COUNTY wishes to support the gaming facility because of the creation of new jobs as well as other improvements and/or benefits as set forth herein, which will be a significant benefit to the COUNTY.

NOW, THEREFORE, BE IT RESOLVED, and it is hereby **RESOLVED** by the authority of the same, that the COUNTY, by its governing body, the Adams County Board of Commissioners, recognize the significant benefit that the construction of the Mason-Dixon Resorts, LP's gaming facility would have on the COUNTY, thereby creating jobs and economic relief as well as many other benefits to the residents and taxpayers of the COUNTY.

BE IT FURTHER RESOLVED, that the COUNTY will issue its public support of the Mason-Dixon Resorts, LP's gaming project.

IN WITNESS WHEREOF, the present Resolution has been duly adopted this 4th day of August, 2010, in a duly advertised and convened public session.

ATTEST:

COUNTY OF ADAMS,
PENNSYLVANIA
ADAMS COUNTY COMMISSIONERS

Paula V. Neiman
Paula V. Neiman, Chief Clerk

(SEAL)

George A. Weikert, Chairman

R. Glenn Snyder
R. Glenn Snyder, Vice Chairman

Lisa A. Moreno
Lisa A. Moreno, Commissioner

CERTIFICATION

I, **Paula V. Neiman**, the duly appointed and incumbent Chief Clerk of the County of Adams, Pennsylvania, being duly authorized to do so, hereby certify that the foregoing Resolution was duly adopted in accordance with the law by the County of Adams, Pennsylvania, by its governing body, the duly elected and incumbent board of County Commissioners, George A. Weikert, R. Glenn Snyder, and Lisa A. Moreno, at a duly advertised and convened public meeting of the said Commissioners, held on August 4, 2010; that the foregoing Resolution has been duly entered in the official Commissioners' Minutes of such meeting; and that such Resolution remains in full force and effect as of the date of this present Certification.

Dated: August 4, 2010.

Paula V. Neiman
Paula V. Neiman,
Chief Clerk,
Adams County Commissioners



FOR IMMEDIATE RELEASE

**MASON-DIXON ENTERS INTO EXCLUSIVE AGREEMENT WITH
GETTYSBURG TOURS TO PROVIDE SIGHTSEEING FOR GUESTS**

*Key heritage tourism business to provide tours from Mason-Dixon to Gettysburg
National Military Park, area businesses*

Cumberland Township, Pa. (March 24, 2010) – Mason-Dixon Resort & Casino officials today announced they have entered into an exclusive agreement with Gettysburg Tours to provide tours for its guests who want to visit Gettysburg National Military Park and area businesses.

Gettysburg Tours will have a kiosk at Mason-Dixon. Guests will have the opportunity to go on several different sightseeing tours directly from the resort.

"As one of the premier heritage tourism businesses in Adams County, Gettysburg Tours has helped share our area's rich historic heritage with countless people," said Mason-Dixon co-principal David LeVan. "We look forward to working together with Gettysburg Tours to provide our guests with entertainment options outside of our resort so that they can experience all that our community has to offer."

Gettysburg Tours owner Kenneth Rohrbaugh said the relationship with Mason-Dixon is a natural fit for his heritage tourism business. Mr. Rohrbaugh also owns several other businesses in the area, including the Hall of Presidents & First Ladies, the Jennie Wade House and Lincoln Train Museum.

"We look forward to working with Mason-Dixon to share the sights and experiences that makes our community so special," Rohrbaugh said. "The rebirth of this special resort, which has been a part of Adams County for more than a

generation, is going to be a tremendous benefit to our community during this difficult economic time."

Mason-Dixon recently released a poll it commissioned by noted pollster Terry Madonna that shows Adams County residents overwhelmingly support the project because it will create jobs and economic opportunities. The numbers were similar for residents in Cumberland Township, where the project would be located.

Among the findings, 62 percent of the respondents indicated support for the project; 89 percent believe it will create jobs; 70 percent believe the project will not hurt other local businesses; 62 percent didn't think it will harm the historic character of Gettysburg National Park; and 59 percent don't believe Mason-Dixon will increase crime.

Contact: David La Torre, La Torre Communications, 717.608.6337

#

About Mason-Dixon Resort & Casino

Mason Dixon Resort & Casino will be a world-class venue located about two miles from the Maryland border in southern Adams County, Pa. Situated in Cumberland Township at what is the current Eisenhower Hotel and Conference Center and Allstar Funland, it will feature a first-class hotel with more than 300 of the finest hotel rooms, 20,000 square feet of meeting and exposition space, and ample parking. The casino will include 600 of the most popular slot machines, an assortment of 50 table games, live entertainment, and a variety of exciting casual and fine dining restaurants, along with a number of other resort amenities.

HARTMAN & YANNETTI

ATTORNEYS AT LAW

126 BALTIMORE STREET

GETTYSBURG, PENNSYLVANIA

17325

GARY E. HARTMAN
gsh@hartman-yannetti.com

TELEPHONE (717) 334-3105
FACSIMILE (717) 334-5888

BERNARD A. YANNETTI, JR.
bay@hartman-yannetti.com

March 18, 2010

Kenneth J. Rohrbaugh
Gettysburg Tours, Inc.
302 York Street
Gettysburg, PA 17325

RE: *Mason-Dixon Resort & Casino*

Dear Ken:

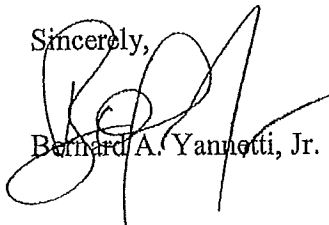
As you are aware, I represent the legal interests of Mason-Dixon Resort & Casino and it is in that capacity that I am writing to you today. The purpose of this correspondence is to seek your permission to use the name of your entity publicly in the promotion of Mason-Dixon Resort & Casino.

It would be our intent to indicate that the amenities located at your facility would only be a short drive or commute from the casino and that there are additional activities in the area while visiting this particular resort.

It is well documented that Pennsylvania casinos conduct a great deal of business within their local communities, providing tremendous economic benefit. We are seeing this done all over the state. I believe Adams County businesses and residents, who are suffering during these economic times, need to enjoy these same opportunities found throughout the State.

I would ask that you please sign and return to me a copy of this letter indicating that my client may utilize your name. Gettysburg Tours, Inc. is licensed by the PUC to transport passengers to the airports, charters, and Battlefield Tours. We are looking forward to working together in Adams County. Thank you for your consideration in this matter. Please do not hesitate to call if you have any questions or require any additional information.

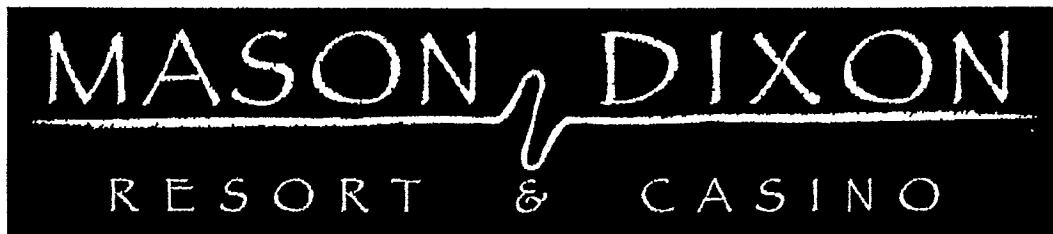
Sincerely,


Bernard A. Yannetti, Jr.

BAY/snd

I hereby agree to the terms contained in this correspondence.


Kenneth J. Rohrbaugh



FOR IMMEDIATE RELEASE

**MASON-DIXON RESORT & CASINO UNVEILS 'MASON-DIXON PASS' PROGRAM
TO PROMOTE OTHER AREA TOURIST DESTINATIONS**

Links at Gettysburg, Ski Liberty Resort named inaugural members of Pass program

Cumberland Township, Pa. (March 30, 2010) – Mason-Dixon Resort & Casino officials today unveiled its "Mason-Dixon Pass" program, which will actively promote other area tourist destinations to guests of the resort. Two inaugural members of the Mason-Dixon Pass program are the Links at Gettysburg and Ski Liberty Mountain Resort.

"There are so many great things to do in Adams County," said Mason-Dixon co-principal Dave LeVan. "Ski Liberty and the Links at Gettysburg are two tremendous examples of this. We want to make sure our guests experience everything our area has to offer and visit great places like the Links at Gettysburg and Ski Liberty."

The Mason-Dixon Pass is a cross-marketing effort that will provide tourists with special information and promotions from area tourist spots. This latest effort comes a week after Mason-Dixon signed an agreement that will allow Gettysburg Tours, one of the county's premier heritage tourism businesses, to provide tours for its guests who want to visit Gettysburg National Military Park.

"We look forward to working with Mason-Dixon and its new Mason-Dixon Pass program," said Links at Gettysburg President Richard A. Klein. "Guest of the resort will find we have one of the best golfing experiences available anywhere."

The Links is a "4 1/2 Star" rated facility by *Golf Digest* and a "Must-Play" by *Golfstyles*. Created by The Klein Family Partnership, this European-style links course

plays 6,979 yards from the tips, with a 73.9 rating and 140 slope, making it an exciting challenge for low handicappers. Conveniently located in South Central Pennsylvania, just north of the historic Mason-Dixon Line and Maryland state border, The Links is an easy 35-minute drive from Frederick, Md., 50 minutes from Harrisburg, Pa., 60 minutes from Baltimore, Md., and 90 minutes from Washington, D.C. For more information, see: www.thelinksatgettysburg.com.

Nestled in Carroll Valley near the scenic Catoclin Mountains, Ski Liberty is located just 8 miles southwest of Gettysburg and 5 miles north of Emmitsburg, MD, and is convenient to the Baltimore, Maryland and Washington, DC metro areas, as well as all of South Central Pennsylvania. Located on 275 beautiful acres, the resort offers over 100 acres of skiing, snowboarding and snow tubing trails. For more information, see: www.skiliberty.com.

"Ski Liberty is always looking for ways to extend opportunities to people who want to ski and enjoy all that our mountain has to offer," said Ski Liberty President Eric Flynn. "The Mason-Dixon Pass will provide an opportunity to do just that."

The Mason-Dixon Pass joins two other programs created by Mason-Dixon – "Buy Adams!" and "Hire Adams First," which will ensure priority is given to hiring Adams County residents and businesses.

Statewide, Pennsylvania casinos provide jobs for more than 10,000 Pennsylvanians, providing full-time wages and benefits. An additional 5,000 jobs will be created with the expansion of table games. Businesses were paid \$1.8 billion alone in 2008 for goods and services provided to Pennsylvania casinos. Local governments have collected \$289 million and volunteer fire companies have received \$125 million.

Mason Dixon Resort & Casino will be a world-class Category 3 venue located about two miles from the Maryland border in southern Adams County, Pa. Situated in Cumberland Township at what is the current Eisenhower Hotel and Conference Center and Allstar Funland, it will feature a first-class hotel with more than 300 of the finest hotel rooms, 20,000 square feet of meeting and exposition space, and ample parking. The casino will include 600 of the most popular slot machines, an

assortment of 50 table games, live entertainment, and a variety of exciting casual and fine dining restaurants, along with a number of other resort amenities.

#

Contact: David La Torre, La Torre Communications, 717.608.6337

HARTMAN & YANNETTI

ATTORNEYS AT LAW
126 BALTIMORE STREET
GETTYSBURG, PENNSYLVANIA
17325

GARY E. HARTMAN
geh@hartman-yannetti.com

TELEPHONE (717) 334-3105
FACSIMILE (717) 334-5866

BERNARD A. YANNETTI, JR.
bay@hartman-yannetti.com

February 5, 2010

Eric Flynn
Liberty Mountain Resort
78 Country Club Trail
Carroll Valley, PA 17320

RE: Mason-Dixon Resort & Casino

Dear Eric:

As you are aware, I represent the legal interests of Mason-Dixon Resort & Casino and it is in that capacity that I am writing to you today. The purpose of this correspondence is to seek your permission to use the name of your entity publicly in the promotion of Mason-Dixon Resort & Casino, including its soon to introduced "Mason-Dixon Pass" program, which is designed to drive our visitors to other tourist destinations, including Liberty Mountain Resort.

It would be our intent to indicate that the amenities located at your facility would only be a short drive or commute from the casino and that there are additional activities in the area while visiting this particular resort.

It is well documented that Pennsylvania casinos conduct a great deal of business within their local communities, providing tremendous economic benefit. We are seeing this done all over the state. I believe Adams County businesses and residents, who are suffering during these economic times, need to enjoy these same opportunities found throughout the State.

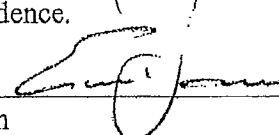
I would ask that you please sign and return to me a copy of this letter indicating that my client may utilize your name and the opportunities found at your business location for the promotion of the casino to be located here in Gettysburg. Thank you for your consideration in this matter. Please do not hesitate to call if you have any questions or require any additional information.

Sincerely,


Bernard A. Yannetti, Jr.

BAY/snd

I hereby agree to the terms contained in this correspondence.


Eric Flynn

HARTMAN & YANNETTI
ATTORNEYS AT LAW
126 BALTIMORE STREET
GETTYSBURG, PENNSYLVANIA
17325

GARY E. HARTMAN
geh@hartman-yannetti.com

TELEPHONE (717) 334-3105
FACSIMILE (717) 334-5866

RECEIVED
FEB 15 2010

BY: _____

BERNARD A. YANNETTI, JR.
bay@hartman-yannetti.com

February 5, 2010

Richard A. Klein
The Links At Gettysburg
601 Mason-Dixon Road
Gettysburg, PA 17325

RE: Mason-Dixon Resort & Casino

Dear Rick:

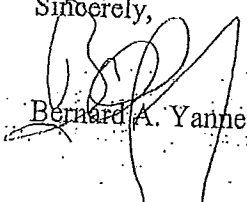
As you are aware, I represent the legal interests of Mason-Dixon Resort & Casino and it is in that capacity that I am writing to you today. The purpose of this correspondence is to seek your permission to use the name of your entity publicly in the promotion of Mason-Dixon Resort & Casino, including its soon to introduced "Mason-Dixon Pass" program, which is designed to drive our visitors to other tourist destinations, including The Links at Gettysburg.

It would be our intent to indicate that the amenities located at your facility would only be a short drive or commute from the casino and that there are additional activities in the area while visiting this particular resort.

It is well documented that Pennsylvania casinos conduct a great deal of business within their local communities, providing tremendous economic benefit. We are seeing this done all over the state. I believe Adams County businesses and residents, who are suffering during these economic times, need to enjoy these same opportunities found throughout the State.


I would ask that you please sign and return to me a copy of this letter indicating that my client may utilize your name and the opportunities found at your business location for the promotion of the casino to be located here in Gettysburg. Thank you for your consideration in this matter. Please do not hesitate to call if you have any questions or require any additional information.

Sincerely,


Bernard A. Yannetti, Jr.

BAY/snd

I hereby agree to the terms contained in this correspondence.


Richard A. Klein



FOR IMMEDIATE RELEASE

MASON-DIXON RESORT & CASINO UNVEILS HIRE ADAMS FIRST! PROGRAM

Program will give Adams County residents first hiring preference

Cumberland Township, Pa. (Feb. 1, 2010) – Mason-Dixon Resort & Casino officials today unveiled its "Hire Adams First!" program, which will give Adams County residents the first hiring preference for all jobs created at the Cumberland Township facility.

"The timing of this project couldn't better when you consider that unemployment is now over 8 percent in Adams County, the highest it's been in years," said Mason-Dixon principal David LeVan. "We want our residents to enjoy the opportunities Mason-Dixon will create. This is just one more way to do that."

If licensed by the Pennsylvania Gaming Control Board, Mason-Dixon will create hundreds of temporary jobs for construction and hundreds of permanent positions to operate the new resort and casino. Jobs ranging from management to staff-level positions will be available to local Adams County residents in all areas, including: administrative management, accounting, employee benefit services, facilities management, human resources, marketing, payroll, purchasing, regulatory compliance, restaurant service, security/surveillance, slot technician and table-games dealers.

"With unemployment so high there are plenty of Adams County residents who need jobs that currently don't have one," LeVan said. "We can help. These will be full-time jobs with a great benefits plan."

The new program follows last week's unveiling of Mason-Dixon's new "Buy Adams!" initiative, which will give Adams County businesses the first opportunity to

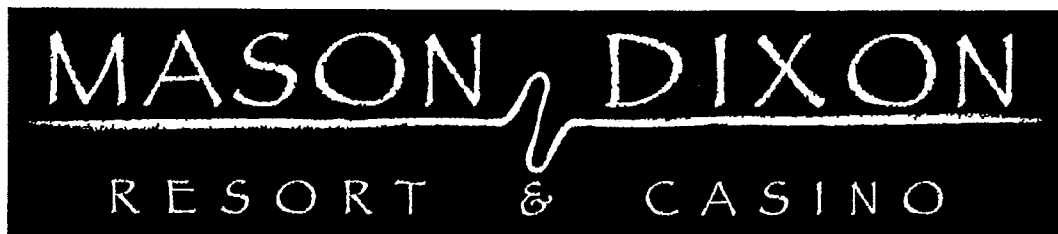
provide products and services to the Cumberland Township facility. A sample of the some of the goods and services that will be required include: apparel, baked goods, banking, cleaning services, construction supplies, contractors, food services, fuel, produce, landscaping, masonry, paper products, printing, tools and wireless communications.

Mason Dixon Resort & Casino will be a world-class Category 3 venue located about 2 miles from the Maryland border in southern Adams County. Situated in Cumberland Township at what is the current Eisenhower Hotel and Conference Center and Allstar Funland, it will feature a first-class hotel with more than 300 of the finest guest rooms, 20,000 square feet of meeting and exposition space, and ample parking. The casino will include 600 of the most popular slot machines, an assortment of 50 table games, live entertainment, and a variety of exciting casual and fine dining restaurants, along with a number of other resort amenities.

Copies of both Hire Adams First! and Buy Adams! programs can be found at www.masondixongaming.com.

#

Contact: David La Torre, La Torre Communications, 717.608.6337



HIRE ADAMS FIRST! PROGRAM

Mason-Dixon Resort & Casino will create hundreds of temporary construction jobs and hundreds of permanent jobs. This initiative will ensure Adams County residents get first hiring preference for these well-paid positions.

What is the Hire Adams First! program?

Mason-Dixon ownership will look to fill all jobs with Adams County residents. Hundreds of full-time jobs with benefits will be needed to cover the entire project, including construction workers and employees at the resort, several restaurants and casino, as well as positions in the administrative and corporate offices.

How will Hire Adams First! be successful?

Mason-Dixon will seek to partner with local, county and state governments to identify potential employees and create tailored training programs for each job classification. In addition, Mason-Dixon's human resources department will use our Web site, media outlets, and community-based job banks and similar services to advertise employment opportunities.

How would you implement the Hire Adams! program?

Once the project is approved, Mason-Dixon will work with government workforce training partners and higher education to establish a training school.

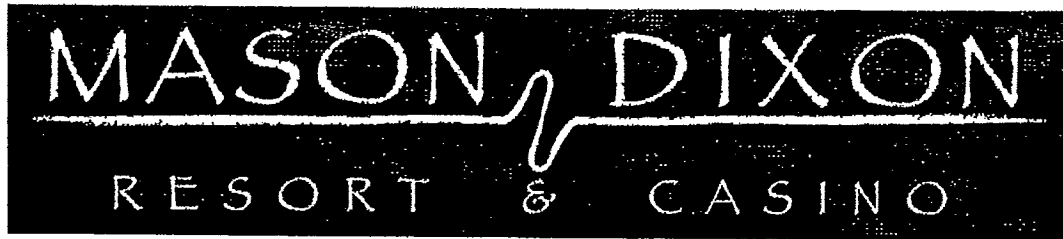
What types of job openings would Mason-Dixon be interested in filling?

We anticipate training to take place in, but to be limited to, jobs in the following areas:

- Administrative Management
- Accounting
- Cashier Services
- Casino Hosting/Hospitality
- Customer Development

- Employee Benefits Services
- Environmental Services
- Executive/Sous Chef
- Facilities Management
- Facilities Technical Support
- Food/Beverage
- Human Resources
- Internal Audit
- Information Technology
- Maintenance
- Marketing
- Payroll
- Purchasing
- Regulatory Compliance
- Secretarial
- Security/Surveillance
- Slot Technician
- Table Games Dealers

#



FOR IMMEDIATE RELEASE

MASON-DIXON RESORT & CASINO UNVEILS BUY ADAMS! PROGRAM

Program will give Adams County businesses first priority for goods, services contracts
Will provide millions in revenues for local businesses and create jobs

Cumberland Township, Pa. (Jan. 25, 2010) – Mason-Dixon Resort & Casino officials today unveiled its "Buy Adams!" program, which will give Adams County businesses the first opportunity to provide products and services to the Cumberland Township facility.

"Buy Adams! has one mission – to purchase as many products and utilize as many services as possible from our local Adams County businesses," said Mason-Dixon principal David LeVan. "This is our commitment to Adams County. In doing so, this program will provide millions of dollars to local businesses, which will help create more jobs at those companies for area residents. "

A copy of the program is attached with a sample of the some of the goods and services that will be required. The list includes: apparel, baked goods, banking, cleaning services, construction supplies, contractors, food services, fuel, produce, landscaping, masonry, paper products, printing, tools and wireless communications.

LeVan noted that Pennsylvania casinos do a great deal of business within their local communities, providing tremendous economic benefit.

"We are seeing this done all over the state. Adams County businesses and residents, suffering during difficult economic times, deserve to enjoy these same opportunities," LeVan said.

Mason Dixon Resort & Casino will be a world-class Category 3 venue located about two miles from the Maryland border in southern Adams County, Pa. Situated

in Cumberland Township at what is the current Eisenhower Hotel and Conference Center and Allstar Funland, it will feature a first-class hotel with more than 300 of the finest hotel rooms, 20,000 square feet of meeting and exposition space, and ample parking. The casino will include 600 of the most popular slot machines, an assortment of 50 table games, live entertainment, and a variety of exciting casual and fine dining restaurants, along with a number of other resort amenities.

#

Contact: David La Torre, La Torre Communications, 717.608.6337

GETTYSBURG

CONVENTION & VISITORS BUREAU

July 26, 2010

Mr. David LeVan
Mason - Dixon Resort & Casino
1094 Baltimore Pike
Gettysburg, PA 17325

Dear Mr. LeVan,

The Board of Directors of the Gettysburg Convention & Visitors Bureau met on Tuesday, July 20, 2010 and reviewed your request to endorse the Mason - Dixon Resort & Casino project.

While the board feels that the project could stimulate economic growth and create additional opportunities for our over three million visitors annually; they cannot go on record as endorsing the project. It is the opinion of the Board of Directors of the Gettysburg Convention & Visitors Bureau that such an endorsement would violate the organization's by-laws.

The Gettysburg Convention & Visitors Bureau is the official Tourism Promotional Agency for Adams County, PA and markets tourism as the counties largest industry and employer.

Sincerely,



Norris L. Flowers
President

571 West Middle Street Gettysburg, Pennsylvania 17325
Tel. 717.334.6274 www.gettysburgcvb.org Fax 717.334.1166





October 14, 2010

Cyrus R. Pitre
Chief Enforcement Counsel
Pennsylvania Gaming Control Board
P. O. Box 69060
Harrisburg, PA 17106

RE: Mason-Dixon Resorts, LP

Dear Mr. Pitre:

This letter is in partial response to your October 6, 2010 letter to Kevin C. Hayes, counsel for Mason-Dixon Resorts, LP. As you know, Penn National Gaming, Inc. and affiliated entities comprise a component of the Mason-Dixon Resorts, LP Category III application. In that regard, as Chief Financial Officer of Penn National Gaming, Inc., I make the following certification:

Pursuant to Section 1316 of the Pennsylvania Race Horse Development and Gaming Act, Penn National Gaming, Inc., on behalf of Category III Applicant, Mason-Dixon Resorts, LP, does hereby certify through me, as Penn's Chief Financial Officer, that the Applicant has the requisite amount of funds required to post a bond as required by Section 1316 and that prior to the issuance of a license, Penn National Gaming, Inc., on behalf of Mason-Dixon Resorts, LP, will post a bond in an amount not less than the sum of \$1,000,000, as set by the Pennsylvania Gaming Control Board, payable to the "Commonwealth of Pennsylvania."

Please feel free to contact me with regard to any questions you may have.

Very truly yours,

William J. Clifford
Senior Vice President/Chief Financial Officer

Cc: Paul Mauro, BIE Deputy Director
Rich O-Neil, FIU Supervisor
Kevin Hayes, Esq.